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ABSTRACT

This committee print starts with a pessimistic description of the decay of the economic functions traditionally associated with urban areas. Chapters by educators and public figures in the field focus on different problems of the urban crisis. That federal grants to cities, even when targeted to specific objectives, do not necessarily solve the problems they were designed to deal with is one view presented. Another author notes that much of the failure attributed to the programs of the Great Society were not intrinsic to the programs themselves but rather to the social breakdown accompanying the Vietnam War. It is suggested in another chapter that a Marshall Plan for the cities should be directed towards the rebuilding of neighborhood institutions. Other chapters deal with the following topics: (1) out-migration of the poor and in-migration of the affluent as one way to save the cities, (2) a case study of Baltimore, Maryland, the city with the best track record in neighborhood rehabilitation, (3) how to improve urban transportation and what to do about the automobile, (4) national urban policies in Europe, and (5) political difficulties for city savers. (Author/AM)

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[COMMITTEE PRINT]

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TOWARD A NATIONAL URBAN POLICY

SUBCOMMITTEE ON THE CITY

OF THE

COMMITTEE ON
BANKING, FINANCE AND URBAN AFFAIRS
HOUSE OF REPRESENTATIVES

95th Congress, First Session

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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LETTER OF TRANSMITTAL

To the Committee on Banking, Finance, and Urban Affairs:

Many of our great cities are sick—losing population, losing jobs, losing fiscal solvency, losing the experience of neighborhood and community, losing the convenience, safety and attractiveness which are the reasons for their existence in the first place. In constitutional terms, they are short on justice, short on tranquility, short on general welfare.

Millions of unemployed, largely young and minority, are now stranded in our central cities. Manufacturing jobs have migrated to the suburban industrial parks, to outlying areas, and to the Sun Belt. Smog, congestion, and wasted energy worsen as millions of white-collar workers and managers commute from the suburbs to the central city and its remaining service jobs.

City after city, mostly in the older Northeast and Midwest, but in places from Atlanta to Los Angeles as well, faces a money crisis, because revenues go down and the cost of poverty and its associated ills go up. The crisis is heightened because of fiscal mismatches—between the central city and its more affluent metropolitan hinterland, and between the declining Northeast-Midwest and the burgeoning Sun Belt Mountain States.

As a result, the cities' social fabric is strained. Increasing poverty, dependency, crime, drug use, demoralized schools heighten the alienation between citizen and Government.

Do we need the city at all? The old justifications for the central city were that it provided an economic pool, a residential neighborhood, a center of culture. But increasingly these functions are seen to be handled about as well by the metropolitan area.

Still, a sufficient reason for saving the city is that the world is running short of energy, land, and other resources. The central city, with its existing infrastructure, its homes and buildings, its people and traditions, is not lightly to be thrown away.

The House Banking Committee has held several weeks of hearings last fall and this spring, on the future of our cities. From these hearings emerges the hope that the future of the American city is not as bleak and dreary as many have prophesied. It is within our own power—if we have the wit and the will—to see to it that the American city survives and flourishes as a viable economic entity, as a livable residential community, and as the cultural center of our civilization.

A coherent national urban policy which provides the framework for Federal approaches to city problems, and for the coordination of Federal, State, local, and private sector activities, ought to be a starting point for our efforts. Only with a national urban policy in place can the Federal Government determine how its programs in housing, transportation, regional planning, open space, public works, manpower, State/local budget support, welfare, health, education, and public safety can best complement what the rest of the country is doing.

Other countries have evolved national urban policies and their great cities—Stockholm, London, Munich, Copenhagen and others—are the better for it.

Unfortunately, the United States simply lacks such a policy. Uncoordinated programs such as urban renewal, the interstate highway system, FHA mortgage insurance, haphazard location of Government facilities, water and sewer grants, and an archaic welfare system tell the tale of this policy vacuum. Early this year the House Banking Committee established a new Subcommittee on the City to help develop such a national urban policy, and to provide a focus within the House of Representatives for the consideration of overall urban concerns.

This committee print could serve as the first very rough draft of such a national urban policy. It draws upon our September 1976, and April 1977, committee hearings.

There follows a description of the essays in the committee print.

Chapter 1, "The Wilting of the Metropolis," by George Sternlieb and James W. Hughes of the Center for Urban Policy Research, Rutgers University, starts with a pessimistic description of the decay of the economic functions traditionally associated with urban areas. The authors foresee further depopulation of these areas as the decay continues. They suggest that "tinkering" solutions have a low probability of success, and that even a transition to a new functional role of the city will encounter serious social problems. Their picture is grim, but it is a necessary starting point for the development of a realistic national urban policy.

Richard P. Nathan, Senior Fellow at Brookings Institution, and Paul A. Dommel, Associate Professor of Political Science at Holy Cross College, in chapter 2 "The Strong Sunbelt Cities and the Weak Coldbelt Cities" contend that there is not a generalized urban economic crisis, but rather a regional one, with the problems centered in the Northeastern-Midwestern area while the South and Southwestern cities are in relatively good shape. They present a "hardship index" to target the worst problem areas. But they point out, quite rightly, that the differences between the sunbelt and the coldbelt are not absolute. Even in the most thriving cities, there are relatively large pockets of decay, and many of the worst off cities are surrounded by areas of relative affluence.

Federal grants to cities, even when targeted to specific objectives, do not necessarily solve the problems they were designed to deal with. The third chapter, "Law Enforcement Assistance—A Case Study of a Troubled Urban Program", by Mark A. Furstenberg, director of the criminal justice program at Boston University, deals with just such a situation. Such programs can start with overoptimistic expectations and then develop a maze of red tape which compounds the difficulty of undertaking any truly innovative activity. Furstenberg's plea is for greater congressional oversight over the programs it creates to assure that they are achieving their intended purposes.

President Robert Wood of the University of Massachusetts, author of the fourth chapter "Lessons of the Great Society," brings to bear an extensive academic background in urban problems as well as his years of experience as Under Secretary of HUD in the 1960's. He finds that much of the failure attributed to the programs of the Great Society were not intrinsic to the programs themselves, but rather to the social breakdown accompanying the Vietnam War and to ultimate sabotage by an administration which did not believe in their goals.

The phrase "A Marshall Plan for Our Cities" has become a rallying point for those who believe that a massive infusion of Federal funds would restore the vitality of our cities. Norton E. Long, professor of political science at the University of Missouri-St. Louis, questions this concept in the fifth chapter. He points out the differences between a war-ravaged Europe, revitalized through the Marshall Plan, and the current plight of the cities which results, not from war, but from social and economic forces beyond their control. Brick and mortar programs are not enough, he argues; the real strength of the city is in its social capital—the web of formal and informal organizations that provides the control and direction to the city. He sees the breakdown of this social capital as the true analogue to the ravaged state of post-war Europe. Thus a Marshall Plan for the cities should be directed towards the rebuilding of neighborhood institutions.

Chapter six by James M. Howell, senior vice-president of the First National Bank of Boston, on "Economic Growth to Save the City", starts with the premise that central cities must preserve the quantity and quality of their public services. To do this, they are increasingly dependent on Federal grants-in-aid in their many forms. He examines the formulas upon which many of these are based, and finds that although they are ostensibly aimed at areas of greatest need, many of the formulas do not operate to the benefit of our older, financially hard-pressed cities. He suggests that use of "cost-indexing" and tax effort as measures which should be considered in reexamining these formulas. But more funds alone are not the answer: the cities themselves must rebuild their own institutions to make better use of their funds, and to provide an atmosphere which is more receptive to private investment.

Paul R. Porter, business consultant and former Ambassador, in chapter seven "One Way to Recovery: Out-migration by the Poor and In-migration by the Affluent", sees the population decline of the inner cities as a necessary consequence of the way in which our cities grew, and as a opportunity for the future. But the cities of the future envisioned by Porter would be vastly different from those of the past. They would involve a population switch—the out-migration of some of the city's poor to places where there are jobs, and the in-migration of affluent white-collar workers from the suburbs. While there is rationality in Porter's approach, it involves some potentially massive social problems.

The existing housing stock and its associated infrastructure are the most obvious capital stock of our cities. Its preservation and improvement are a necessary component of any realistic urban policy. Although the rehabilitation of housing and neighborhoods has been Federal policy since 1954, only a few cities have made substantial progress. The city with perhaps the best track record in neighborhood rehabilitation is Baltimore. In chapter eight, Robert E. Embry, Jr., until recently Baltimore's Housing and Community Development Commissioner and now Assistant HUD Secretary, discusses the Baltimore approach.

A decision to adopt a national urban policy to save our central cities is ultimately a political one. Dean Paul Ylvisaker of the Harvard School of Education in chapter nine "Some Political Difficulties for City

Savers", points out that much of the political power of the cities had dissipated as the nation has become increasingly suburban. In effect, an urban policy must call upon many voters to pay for more of the cost of the central cities which they have abandoned. He characterizes many of the existing Federal programs as "conscience money" directed by a suburbanized majority at a problem they would just as soon leave alone. He is also critical of the tendency of Federal programs to move from their categorical character to block grants and revenue sharing. Such changes result in a loss of federal leverage to affect needed institutional changes, but are eminently acceptable to local officials because the money comes in a more politically palatable form. But ultimately he is optimistic, as he senses a new urban style which is showing signs of appealing to younger people.

In chapter 10 C. Kenneth Orski, Associate Administrator for Policy of the U.S. Urban Mass Transportation Administration, contends that the United States has much to learn from the transportation strategies and innovation adopted by many foreign cities, including a greater reliance on light transit vehicles such as trolleys (rather than new and costly heavy mass transit systems), reserved lanes for buses, prohibition on downtown parking, car free zones and pedestrian streets, and diversion of traffic.

Wildred Owen of The Brookings Institution suggests in chapter 11 that American cities view transportation as an important tool for determining the shape and density of urban areas rather than solely as a means of moving people from one place to the other.

Dan Dimancescu, president of the Cities Corporation in Cambridge, Mass., presents in chapter 12 a comparison of the ways in which Tokyo, London, Moscow, and New York manage high density living. Dimancescu presents six useful measures of a city's success in managing high density living. The American city, New York, ranks very poorly in this comparison.

In chapter 13, Wolf Von Eckhardt, architecture critic of the Washington Post, discusses "What Makes A City Liveable," using examples from Stockholm, Paris, Warsaw, Rotterdam, Vienna, and London.

Professor Peter Hall of the University of Reading, England, discusses in chapter 14 the development and implementation of national urban policies in the United Kingdom, Sweden, France, and the Netherlands. He discusses how these countries use the location of government buildings and facilities, investment incentives for private industry, and land use controls to bring about economic growth and development in declining areas.

As chairman of the Subcommittee on the City, in chapter 15 I sketch what a first draft of a national urban policy might contain.

Transmitted herewith for the use of the Committee on Banking, Finance and Urban Affairs is a committee print prepared by the staff of the Subcommittee on the City. The views and conclusions of this print do not necessarily represent those of the Subcommittee on the City, the Committee on Banking, Finance and Urban Affairs, or any individual member.

Sincerely,

Henry S. Reuss,
Chairman, Subcommittee
on the City.

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Chapter I

THE WILTING OF THE METROPOLIS

By George Sternlieb and James W. Hughes

The history of the United States can be structured in terms of the ebbs and the flows of migration. The classic analytical works on westward expansion, for example, paralleled by the equivalent detailing of the new flow of immigration and activity into older areas, dominate the history shelf. But our thesis is that these flows have changed in character and in substance so vitally as to require a reexamination. The basic working hypothesis is that many of the traumas of our older central cities, for example, can only be understood within the context of slow or no-growth metropolitan settings. Much of the pattern of unemployment which currently dominates public attention, in terms of its locus and potential longevity, requires evaluation not merely in terms of national policy, nor for that matter in terms of the specifics of the central city, but rather in reference to changing patterns of job types and their regional location.

Before turning to the data which describe these phenomena, it is worthwhile to examine, in a broad overview, some of the reasons given to explain why an older industrial heartland, or a major metropolitan region, begins to falter in contrast with surging growth elsewhere. At the risk of skimming the depths of analysis and the variety of approaches which have been espoused, we suggest this array of factors.

1. The Decline of European Immigration.—The change in the immigration laws which took place in the early 1920s substantially cut off the flow of European immigrants, the bulk of whom served as fresh recruits bolstering the manufacturing and commercial functions of the central city. The swelling population of immigrants had also meant a continuing demand for, and a reason for recycling, older housing. The abandonment which now characterizes many central cities is, in substantial part, a function of lack of demand as well as deterioration in the physical amenities. The migration across the Mason-Dixon line and from the West Indies, following this explanation, has not been equally influential in encouraging industrial expansion or the demand for tenement housing, given changes in the patterns of jobs within the central city as well as the realities of racial bias and similar factors. With the reduction of massive immigration, in the face of continued out-migration, a partial vacuum has developed in the central city, as evidenced by the declining population base and the abandonment phenomenon which is becoming increasingly pervasive.

2. Overspecialization of Structures.—Much of the industrial infrastructure of our older cities relates to production methods and approaches which are no longer competitive. The classic case in point would be the loft structures of New York. These multi-story rental manufacturing facilities hark back to a day of small entrepreneurs—catering to small scale vendors. Changes in goods distribution patterns in turn have generated a need for large scale production facilities which can best be rationalized in single-story, land intensive developments, configurations which are substantially incongruent to the parameters of the central city. While new urban industrial areas have been generated in part as a function of urban renewal, their magnitude is not sufficient and their advent is too late, according to this thesis, to effectively stem the tide. A parallel element in this approach has been the historic development of infrastructure, which now represents very substantial capital and operating costs but, given the decline in usage, becomes much more a hindrance than a positive asset. The mass transit facilities of New York are prototypical, operating at a deficit of several hundred million dollars a year largely borne by the general taxpayer; they cannot be substantially abrogated without completely shaking the city's ecology. Furthermore, although they represent a high level of essentially fixed expenditure, they cannot be made financially viable without virtually doubling the number of consumers.

3. The Stiffening of the Arteries of the Older Areas.—Aging metropolitan areas and regions have developed a variety of conflicting property interests in the broader sense of the term, which tend to reduce the flexibility of the city or region to service new demands. A high level of unionization has often been pointed to as a principal element in this mix. Whether rightly or wrongly, this has received blame for reducing the desirability of an area for new entrants, at least when alternative areas are present which do not have equivalent inhibitors.

Older areas similarly tend to have higher levels of dependency. There is the residue of the aged, as well as newcomers who require some level of public support. The growth of welfare dependency with its attendant costs, both direct and indirect, does not generate an environment which employers find sympathetic. Marxist analysis to the contrary (and perhaps due to the built-in stabilizer of welfare payments), this category of population provides not so much an opportunity for the labor exploiter but rather a region which tends to be avoided. The industrial activities which can be attracted are frequently those which are marginal or seasonal, depending on welfare and/or public unemployment assistance to sustain their working force, but also on the municipal fisc as well. Without going into the intimacies of the dual labor market thesis, there is no question that based upon present assessment procedures for unemployment insurance, this can have a substantial negative economic impact.

4. The New Automation and Rationalization of Processes in Hitherto Labor Intensive Industries.—A virtual revolution has ocurred in the technologies of goods production, information processing, and communications. The development is one which has attracted a great deal of controversy, particularly in regard to the Watson Committee's report on Technology and the American Economy, which indicated a substitution of new replacement job opportunities and growth in income levels as a function of automation—rather than the antithesis, a direct and vital reduction in employment of these concepts is adopted. Regardless of which of these concepts is adopted, clearly from the viewpoint of a central city, a metropolitan area or a region as a whole, if jobs are lost as a function of automation (using the term in the broadest of senses) it is vital not merely that new jobs consequently are created—but that they are also created within the same geographic locus.

5. Spatial and Labor Homogenization.—The development of new means of transportation, particularly in dry bulk cargo, has created whole new areas of competition for older regions. A glance at the Sears Roebuck catalog and its listings of shoes from Spain and Brazil, of wire and steel products from Japan, certainly gives insight into this reality. The problem, therefore, of the passed over regions of the United States may be international as well as domestic. In this latter category the rise of air conditioning has played a major role—as will be noted in reference to Washington, D.C. specifically, and the South generally—in making hitherto avoided areas now directly competitive.

6. The Critical Mass Phenomenon.—One of the elements which was once the captive province of older regions, particularly the Northeast, was a critical mass of consumers such as to provide a unique demand for specialized services and goods. For many years, the large scale hospital, the specialized library, the unique shops of downtown, or other specialized services simply could not be supported elsewhere. This is no longer the case as suburban areas and once lightly populated regions attain critical mass in terms of consumer numbers and buying power.

On the international scene this is paralleled by the growth of local markets for a variety of goods which permit a level of foreign mass production for their own domestic markets. This was once not the case. A situation in point would be the development of small car consumption in Japan, Italy, or Germany. In turn, given this domestic base, exports of specialized types of vehicles can be made to the United States with relatively low per unit capital costs associated with them. In turn, unless the number of speciality consumers within the United States is at a level which permits appropriate support for tooling up costs, we simply cannot produce a competitive product. This reverses a long time tradition. The sheer scale of the domestic U.S. market in a vast variety of goods permitted us to produce and export our finished goods, with high levels of capital intensification in their productive stages, much more cheaply than our international competition. The rise of the Common Market, providing an even broader base for Western European manufacturers, is particularly pertinent in this regard.

This listing of some of the forces that lie behind the phenomena to be addressed shortly, could continue apace. Certainly numbered among them would be the changing life styles of the elite—from nightclubbing to sports, from formal society linked to central cities to much looser configurations. In terms of the economy, at every juncture there are doomsayers who will point to elements as varied as the very age of the national economic base; the lack of pure free market competition, or conversely the failure to develop national economic planning and distribution; the shortcomings of entrepreneurs or of labor; and the inability of the schools and the churches and other institutions to imbue some faltering region with the true spirit and the like.

The sheer dynamic virility of the American economy historically has overridden of all these elements. True, there was the decline of New

England, but this was thought of as a relatively specialized case with early virtues—water power, abundant labor force, and local inventiveness—quickly being submerged by areas which were much more amenable to a shifting market base and new techniques of production. Indeed, this decline started so very long ago and continued over such a long period as to no longer be envisioned as having bearing on other regions. Can we continue to preserve this comforting assurance or are there elements which raise substantial question as to its validity? It is to these matters we now shift.

The Pattern and Problem

The pattern which we can observe in the first half of the 1970's is a considerable movement of households from the older, high density urban areas of the Northeast and East North Central states to other regions. The historic problem of the declining central city in most parts of the nation has been joined by the stagnant or declining metropolis within America's heartland, the industrial belt from Boston to St. Louis which Wilbur Thompson calls the "American Ruhr." The out-migration from these industrial metropolises is really of two parts. The first is simply an exurban movement-shifts to areas outside of but still adjacent to formally defined SMSAs. This, then, is partly a problem of lagging definition, an extension of the classic exposition of metropolitan growth shifts away from the urban core. This is well within the established literature. But the major movements appear to be regional, to the South and to the Mountain region, areas which Berry terms "the amenity-rich locations of the western and southern 'rimland' on a national scale."

The problem is one of the future of industrial regions in a post-industrial society. As Brian Berry observes:

> Those areas declining most rapidly have been the central cities of the metropolitan areas that emerged during the 19th century, built on productive power, massed population and industrial technology. By the end of the century, these new cities had been credited with the creation of a system of social life founded on entirely new principles. A short half-century later they have become obsolete. These flowers of industrial urbanization—the great manufacturing belt metropolitan areas—are lagging.

Perhaps the problem of these "flowers"—their long term regenerative capacity to survive, adapt, or thrive—is their original function and the way they were put together. Wilbur Thompson offers an insightful explanation:

> We did not, for the most part, build great cities in this country; manufacturing firms agglomerated in tight industrial complexes and formed labor pools of half a million workers. That is not the same thing as building great cities . . . Our great industrial transformation has left us with a large number of overgrown "cities"—a ramification we have not faced up to.

The momentum of declining cities has been with us for a long time; however when entire metropolitan areas are encompassed by a similar trendline, we must alter our mental model of reality.

The Reference Framework

The concept of the aging metropolis forces us to shift into a new mode of thinking; we have become inordinately accustomed to focusing on the tensions between the central city and suburbia. However, if the early 1970s are not an aberration but a benchmark of a new frame of reference: the distinctions and stresses between metropolitan areas and regions. The observations of Nathan Glazer echo these sentiments:

> The distinction between central city and suburb, which replaced the distinction between rural and urban as the focus of urban studies, may in time also shrink as the difference between metropolitan areas becomes ever more significant. . . . This is a shift that has been more or less implied with developments of the last few years.

Assuming that we can overcome the lag in interpreting the forces in motion, we also face the problem of their extrapolation. Since we are only in the penumbra of a new reality, the ultimate scale of the phenomenon is difficult to prognosticate. Certainly, it is possible to overreact on the basis of some initial shadowy outlines. But as Irvng Kistol pointed out over a year ago, we were able to sense the trends of suburbanization and central city decline several decades past, yet we completely underestimated the scale of what eventually would happen—and what occurred did so much faster and much more completely than our gravest estimates suggested. So we must begin by trying to suggest the changes that are taking place; the specification of their magnitude must wait until additional benchmarks are passed.

The trendlines

Like pieces of an abstract puzzle slowly fitting together to form the outlines of a final mosaic, post-1970 data are slowly interfacing to reveal new patterns of regional and metropolitan change. The pace of this recognition has probably been slowed by the substantial time gap between full census enumerations. While the 1960 to 1970 census comparisons aroused only limited reservations about the continuities of past assumptions, the possible break in trend, or a peaking, in say 1967 or 1968, is a phenomenon which could very well have been masked by virtue of our benchmarks bounding the climax point. Consequently the drama of the reversal uncovered in the 1970 to 1974 tabulations, and the basic questioning of it, may well be an artifact of our established accounting system.

Certainly we are far from reaching a concensus on the predictive capacity of the most immediate segment of history. But if we learned anything from the recent energy crisis, of gas lines and new price thresholds, it is that the assumptions reinforced by the 1960–1970 checkpoints may be more deceptive than enlightening.

Nevertheless, the data are revealing patterns which confront us with a new dimension of concern. What shape are they taking? Special tabulations by the U.S. Bureau of the Census have led Director Vincent Barabba to isolate the following tendencies:

The Overall Metropolitan Profile

1. There has been a substantial diminution in the rate of growth of metropolitan areas (Standard Metropolitan Statistical Areas, or SMSAs) between 1970 and 1974.

2. For the same time period, nonmetropolitan areas grew faster than metropolitan areas, representing a sharp contrast to the trends extant to several decades prior to 1970.

3. The reason has been the greater magnitude of out-migration compared to in-migration; the decline in the birth rate means natural population increases can no longer offset negative migration. Metropolitan areas across the United States no longer appear to be gaining net in-migration from nonmetropolitan areas.

4. The largest SMSAs, those of more than 3,000,000 population, have largely accounted for the decline.

5. Those SMSAs with populations between 1,000,000 and 3,000,000 were still growing, but at substantially reduced rates from the immediate past. For SMSAs of this size, the regional setting appears as an important influence of growth behavior.

   a. In the Northeast and North Central regions, the SMSAs exhibit no-growth or stagnation.

   b. In the West, there is a large decline in the growth rates of metropolitan areas.

   c. In the South, metropolitan areas' growth continues, but at reduced rates.

   d. In the South and West, most of the net metropolitan inmigration occurred in three SMSAs—Miami-Fort Lauderdale-Tampa-St. Petersburg in Florida, and Phoenix, Arizona, all important recreational and retirement enclaves.

6. In contrast, the SMSAs of less than 1,000,000 population have experienced increased rates of in-migration since 1970.

Overall according to Wilbur Thompson, there is a strong negative correlation between the rate of growth from 1970 to 1972 of metropolitan areas and the proportion of the labor force employed in manufacturing activity. We have passed through the age of manufacturing and the changes we are now experiencing reflect this industrial transformation.

Intra Metropolitan Area Shifts

1. In 1960, metropolitan area populations were about equally divided between central city and suburban residence. By 1970, the majority, 54 percent, lived in suburban areas, a percentage which increased to 57 percent by 1974.

2. The net out-migration from cities to suburban and nonmetropolitan areas between 1970 and 1974 was equivalent to 10 percent of their 1970 population. Taking into account net natural increase, cities lost 2 percent of their 1970 population.

3. About two-thirds of the metropolitan area net out-migration to nonmetropolitan areas originated in their central city cities.

4. The largest city losses have occurred in the largest SMSAs.

5. The mainstays of growth taking place in metropolitan areas are the suburbs. On a regional basis, they account for all the growth in the North and South. Only in the West has there been any measurable increase in the central city population.

6. There has been no change in the proportion of blacks residing in suburban areas. However, the black population in nonmetropolitan areas increased between 1970 and 1974, marking a reversal of the pattern of the last decade. At the same time, black population in cities continued to grow as a result of net natural increases.

7. Substantial flux of movement into and out of central cities continued. The aggregate family income in 1973 of families and unrelated

individuals who moved out of central cities between 1970 and 1974 was about $55.3 billion, while for those moving in, it was $25.7 billion, a loss of almost $30 billion due to migration.

8. The number of jobs is increasing at a faster rate in the suburban areas of SMSAs compared to central cities. Although the number of professional and technical workers did not decline significantly in cities during the past four years, it appears that the increase in their numbers, which was characteristic of the 1960s, has apparently halted.

In regard to this last phenomena, Wilbur Thompson poses some very vexing questions:

> Whatever happened to the post-industrial age that was supposed to strengthen our central cities? Ten years ago, we all talked optimistically about the new age of services. "Post-industrial" does not, of course, tell one what the new age is, but only what it isn't. But we meant this time to be a professional-service age. What happened to this new force that was supposed to come in and rebuild the cores of our aging metropolises? . . . The service age just has not come to the fore to rescue the big cities.

Regional Growth Patterns

1. Since 1970, the Northeast has lost population through substantial out-migration. Between 1940 and 1970, it had a net out-migration of whites totaling over 900,000; however, this was offset by a net-migration of 1.6 million blacks. In the four year period since 1970, the net out-migration of whites was 869,000, practically equal to the previous 30 year period, and blacks too experienced a net out-migration from the region.

2. There are indications that as many blacks are moving to the South as there are moving from the South. This is a marked shift from previous patterns.

3. Overall, there is a major increase in net in-migration to the South.

4. In terms of total employment, between 1967 and 1972, the growth rate was more than five times faster in the Southern Atlantic states (a censal division of the South) than in the Middle Atlantic states (a division of the Northeast).

5. The most significant changes occurred in manufacturing employment, with the Middle Atlantic states declining by 12 percent and the South Atlantic states increasing by 7 percent.

6. Other industrial sectors also had greater gains in the South compared to the Northeast. As Wilbur Thompson points out, the South is going through the industrial and post-industrial age at the same time.

7. New York State and Georgia are typical of their respective regions. The latter's rate of total employment growth between 1967 and 1972 was nine times that of New York.

8. Projections by the Bureau of Economic Analysis (of the Department of Commerce) to 1990 indicate a pronounced shift of income away from the Northeast and North Central parts of the country to the Southern and Western regions.

   a. Nearly every major industry in the Mid-Atlantic sector will expand at below average rates.

   b. Employment in the Southeast is projected to grow at a faster rate than the national average; moreover there will be an increase in the number of persons migrating to the area in response to expanding economic opportunities.

c. The boost in incomes in the Southeast will be a consequence of manufacturing, not only in the obvious textile and apparel industries, but also in chemicals, machinery, fabricated metals, paper, and printing.

d. Tourism and recreation will expand in the South as will service industries.

9. The metropolitan housing stock in the South is increasing 1½ times faster than in the Northeast.

10. Overall, there is much newer inventory of housing in the South, a more rapidly changing mix of units, and a much lower cost threshold compared to the Northeast. The sales price for a newly built one-family home in the South is 25 to 30 percent less than in the Northeast.

If these emerging directions of regional and metropolitan evolution are not temporary discontinuities, and if our conceptual framework is valid, then we must begin to think about the consequences of grappling with no-growth settings. And this is at a time when we are just hitting full stride in our debate over the implications of growth. Although both concerns are relevant to the trends at hand, since there will obviously be both losers and gainers, we need to divert some of our attention to the critical issues facing areas having substantial net outmigration. But before we attempt to diagnose the prospects of aging metropolises, we would like to speculate on some of the processes giving rise to them.

THE UNDERLYING PROCESS

No one particular development can be singled out as the primary agent facilitating the current regional shifts and the decline of a number of metropolitan areas. The changes taking place, or least those which have suddenly become visible, are the cumulative result of a number of small scale events and innovations, acting in concert with long-standing cultural predispositions and accumulating market-forces, which have finally congealed into the dynamic which now confronts us.

Current trends of metropolitan decline may be a continuation of long-standing processes that began with a more publicized migrational pattern, the resynthesis of American life in suburbia. While conventionally viewed as a post World War II transformation whose triggering mechanisms were a pent up housing demand, increased affluence, the widespread ownership of automobiles, and federal mortgage insurance programs, the original foundation for the suburban shift was slowly laid down many decades earlier, piece by piece. For example, the development of the horse-drawn streetcar in the late 19th century was the initial instrument which stretched the city beyond its circumscribed pedestrian limitations. The ability to transmit electricity from a central power station to a moving vehicle, and the development of an efficient electrical streetcar motor further facilitated movement to the countryside. But other innovations were necessary before extensive settlement in dispersed residences could take place: the single residence septic tank for areas beyond city sewerage systems, improved well drilling techniques to supply water to unattached houses, and advances in the tranmission of electricity economically, including the switch from direct to alternating current. Step by step these factors, by improving the level of amenities available beyond the cities' edges, gradually made suburbanization economically feasible.

Extensive real estate promotions, often the offshoot of streetcar enterprises, played on the American ideal of single family homeownership, and publicized the possibility of new lifestyles. Indeed, these developments keyed in on a variety of cultural traits—termed by Brian Berry love of newness, an overwhelming desire to be near to nature, individualism, and freedom to move—that are interwoven in the American character. And by the 1920s, with the advent of the automobile, suburbanization became a significant force. Depression and war in the following two decades were to markedly restrict the full momentum of these cumulative forces but their strength was not diminished, as the rapid suburbanization of the post-war years demonstrates. The post-war decentralization, further stimulated by additional technological developments, which facilitated economic markets to assume new spatial settings, cannot be considered a break in longstanding trends, but rather the later, perhaps more dynamic, evolutionary stages of a transformation which was based on a pyramiding of small scale innovations and underlying social desires.

And in like fashion, a series of individual changes and shifts have brought about an evolution of regional and metropolitan fortunes and potentialities. Perhaps the most significant of these was the transportation revolution of the 1950s and 1960s, which generated an increasing reliance on air and truck transportation, gradually supplanting the dependence on the nation's rail system. As the Interstate Highway network gradually fostered new patterns of connectivity-first visible in suburbia-many parts of the South were opened up to small manufacturing plants which did not have to rely on rail lines. In contrast, the crisis ridden Penn Central Railroad appears as an aging network upon which the no-growth industrial regions are superimposed. Yet, while this new homogenization of space and time is one of the major stimuli for the shift to net in-migration in the South and to net out-migration in the Northeast, the shift was aided by other developments operating analogously to those which permitted suburbanization via early technological innovations. The requirements of manufacturing industries provide a case in point.

Manufacturing

Historically, the shifting locational patterns of manufacturing in industries were based upon a filtering process, with urban centers losing industries as their products evolved and became standardized. As Wilbur Thompson has pointed out, when a new industry matures, and its products become routinized rather than unique, it can become more efficient in its production process and can use less skilled labor; therefore, it seeks lower wage rates than those extant in urban locations. These spin-offs—what Thompson terms filtering down through a national system of urban hierarchies-have not been particularly harmful, until recently, for older industrial areas for two reasons: first, relocations were often to the suburban areas of the same metropolitan region; and second, the stronger cities of the Northeast were able to continuously innovate to more or less replace what they had lost. This is what is known as the "incubator hypothesis" whereby the rich panorama of services and facilities in our older cities provided the sprawning grounds for new innovations and products. The New York metropolitan area, for example, "grew by incubating new functions, nurturing them off to other sections of the country, all the while regenerating this cycle."

However, Thompson seriously questions whether the Northern cities are innovating to replace industries as fast as they are losing them, or whether they can hold their own in days to come. Additionally, the filtering process may be accelerating, occasioned by a decrease in transportation costs relative to production costs and a decrease in the economy of scale. This development favors smaller plants decentralized into smaller places away from large final markets. What this has caused is not simply the dispersion about the older manufacturing cities, but a dispersion out of the Northeast region, to smaller places in nonmetropolitan areas made increasingly accessible by truck transportation over the ever-growing highway network. The feeling for what is happening is best expressed by Roger Starr:

> I walk in my melancholy daze through the garment district of New York City, hoping to be knocked into by a young man pushing one of those hand trucks. It doesn't happen any more because the young men have gone. Our garment industry depended on a chain of externalities—the ability to push a dress from the buttonhole maker to the button sewer-on, from the hem stitcher to the collar turner. They are all gone. We found it economically more efficient to produce in a one-story factory.

Attracted by traditionally low wages and cheap electric power, light manufacturing is migrating South. The absence of unionization, the rising educational levels of the southern population, and a surprisingly deep labor pool—the advertisement of a new plant appears to generate the remigration of natives from the industrial belts of the North—have permitted the shifts to take place. Additively, these factors have facilitated the passing of substantial manufacturing activity out of the Northeast region and its constituent metropolitan areas.

The harbinger of these changing manufacturing parameters was the well-known shift of textiles from New England and the garment industry of New York City to the lower waged and nonunionized South over the past several decades. In fact, these early examples may be the regional analogues of the pre-depression suburbanization movement. Similarly, what we now see happening may be a replication on a regional scale of events which occurred in metropolitan areas in the 1950s.

Residential Choices and Growth Resynthesis

As we have pointed out, shifts of any substantial magnitude also hinge upon a host of enabling developments which permit the transition to take place. So it is with the population flows, the corollary of industrial shifts. Such movements are the end result of the individual locational choices of numerous households and individuals, and several factors may be gaining importance in regard to these decisions.

The social desires which permeated the "long wave" of suburbanization, as stated by Brian Berry, have grown to full national force with the rising consciousness of the environment and quality of life. Their demise, real or imagined, in the Northeast and North Central regions may foster movements to areas which provide more pleasant climates, attractive scenery, and convenient outdoor recreation facilities. And in turn these amenities are predicated upon the leisure opportunities associated with a shorter work week, and the widespread use of air conditioning to eliminate some undesirable elements of climate. Moreover, the cost of living in aging areas—of housing and the like—may be approaching intolerable levels. Consequently, as Tomas Muller notes:

> The sharp rise in the cost of energy is likely to encourage further movement of jobs and households from aging areas which already experience high costs of living. . . . It is probably more than mere chance that the five urban areas with the highest cost of living in 1973 all experienced net out-migration totaling 372,000 persons between 1970 and 1973, while four of the five regions with the lowest cost of living had a net in-migration of 173,000 persons during the same time interval.

Thus it is not difficult to see the rationale for households to follow employment opportunities, particularly when it additionally means a higher quality of life—at least as current fashion interprets it—in housing less expensive and newer than that extant in aging metropolitan areas.

Moreover, just as manufacturing shifts have stimulated the movement of jobs and people, so too does the shift of the latter engender the movement of a number of service industries catering to both the needs of manufacturing and residential activities. Thus we may be witnessing the first stage of a vigorous cycle of urban development. Indeed, Wilbur Thompson suggests that the post-1970 trendlines indicate:

> not so much the vigor of nonmetropolitan areas as the emerging of new metropolitan areas. There is such great cumulative power to urban growth that each new wave of population decentralization soon crystallizes into new cities.

And in symmetrical fashion, aging metropolitan areas may be slowly decanted of elements that are mainstays of their long-term viability. With the risk of overdrawing the analogy, we might suggest this is what has been happening in central cities the last several decades. The pyramiding of small-scale developments thus permit the working out of basic social contours and market forces in new settings.

These are just some of the elements which may be spurring the emergence of declining metropolitan areas. What we are basically suggesting is that long-term social trends are now playing themselves out all over the geography of this country, just as they have over its metropolitan areas the last several decades. Clearly, much more work needs to be done to adequately specify the trendlines and casual mechanisms and to weave them into a rigorous explanatory framework. Yet, it is still possible to suggest some of the consequences and issues, which will arise if these trends do signify the wave of the future.

ISSUES AND CONSEQUENCES

The Problem of Transition and Unloading

What do we have to guide our thinking about policy? Unfortunately, the bounding elements are distressing. For example, the thinning out of our densest and oldest metropolises appears at first glance to represent an opportunity to recreate a more satisfactory quality of life. This is certainly not a new idea. Nathan Glazer nostalgically reminds us of Ebenezer Howard's account of how we should decant the population of London into garden cities, with the result that London would become a much more attractive place, too—another garden city—with restored housing, less density, and expanded parks. What happened?

> The main thing that went wrong was that we did not analyze the problem of transition specifically. Just who would be left as the people who could move into garden cities or, in our equivalent, the new suburbs? The people who were left were not a good group for making that transition of the central city into a garden city. As a result, they drove out other people. They made it frightfully unattractive and they made it frightfully expensive. . . . This image, this vision, this possibility, should in some way guide our thinking about policy.

The same problem was phrased somewhat differently by Wilbur Thompson: some areas have languished because they haven't "unloaded" fast enough; most of them cannot rebuild their cores, cannot restore the vitality of their centers, until they unload—clear away quickly large numbers of old houses. But, according to Thompson we cannot do this until we are ready for in-town living after the unloading. However, current political thought is

> at odds with the demands of complex big city living where heavy spill-over effects call for tight regulations and unfamiliar and unwelcome personal discipline. We just do not want to live in a highly disciplined way. . . . Suburbanization was a flight not only from crowding and blight but also to freedom. One does not have to accept discipline—in fact one does not even have to be very responsible—living in the suburbs. That's why people move there, and why they go to small towns.

Underscored is one of the reasons for the growth of nonmetropolitan areas. As aging metropolitan areas begin to require discipline for a satisfactory quality of life, people tend to:

> choose a non-disciplined small place. One—everyone—can have bad habits and there is not much of a problem in a small town. Small towns just don't have the high density that creates adverse "neighborhood effects"—inequitable "spillover effects."

But what is left is a declining city and an aging metropolis. Thompson strongly emphasizes that we must find a way to admit, politically, that depopulation is not only a logical consequence of an aging urban area, but is actually underway and requires explicit policy—a calculated strategy of depopulation for the purposes of repopulation.

However, we are again left with the dilemma of the people available to make the transition. The least talented are not going to flee aging metropolitan areas; at the same time these areas cannot afford to lose their most talented, which appears to be the case emphasized in the trendlines. Thus while we unload, we must attempt at the same time to keep net out-migration neutral with respect to talent and wealth. If we don't, we may face a degenerative spiral of our urban resources, as evidenced by the fiscal trends of the last several years.

Declining Fiscal Postures

Thomas Muller has dissected the web of fiscal complexities and highlights some very alarming perplexities. As a metropolitan area expands, the average cost of providing similar services rises somewhat proportionately. At the same time, growing areas also tend to have above-average gains in income, generally permitting a fiscal balance to be maintained without any serious increases in taxation burdens. However, as Muller points out:

> the ten largest SMSAs, all of which are experiencing net out-migration in the early 1970s, have more serious fiscal problems. These and other declining areas experience higher absolute outlays and more rapid rates of expenditure in-

creases (on a per capita base) compared to smaller metropolitan and nonmetropolitan urban areas, most of which are gaining residents.

Since the declining SMSAs correspondingly exhibit substantially lower per capita income growth, the heroic proportions of the impending fiscal shortfalls are not difficult to forecast. Indeed, the dynamics underlying both the revenue and expenditure side of the equation, which Muller clearly isolates, provides a panorama of dilemmas. What they all suggest is that the recent crises of New York City may well be prototypical of those facing other declining metropolises, as well as states and regions.

But the obvious solutions to fiscal problems in declining areas appear to be counterproductive. Higher taxation can only serve to enhance the flight of jobs and talent, reinforcing our basic trends. On the other hand, reduction of expenditures and services heightens an atmosphere of impending crisis, signaling further in-roads into the quality of life and increasing the impetus for migration. Moreover, declining metropolitan areas are often hamstrung by strong municipal unions; and as New York City's trauma shows, these unions do not quietly accept restructions on their domains. Their threats and actions publicize the pervasiveness of the deterioration which underlaid the crises in the first place.

Increasing Spatial Competition

Certainly central cities have had declining fiscal postures for a long time. Glazer points out that was not particularly alarming as long as metropolitan areas grew since the phenomenon could be explained as a political artifact. The wealth was still within the 'daily urban system,' and somehow all that was required was the means to tap this wealth. However, this reassurance is shaken if the entire metropolitan area is in decline. Moreover, we might even suggest that political boundaries within aging metropolitan areas will stiffen as its constituent jurisdictions scramble to maximize their share of a shrinking pie of resources. This is already happening at a broader geographical scale.

The competition between metropolitan areas, states, and regions for new industry and jobs has grown ever more fierce, particularly since the payoffs of the industrial recruitment drive in the formerly depressed South have become more visible. In fact, the *Wall Street Journal* has recently reported on the redoubling of state's efforts to lure new industry through an array of inducements. Metropolitan areas may be hard put to match the incentives offered by nonmetropolitan places, such as tax reductions, which would aggravate already periled fiscal systems. The *Journal* ominously reveals that New York City is teeming with industrial recruiters, emphasizing the growing role of jurisdictional-regional, state, metropolitan and suburban-initiatives in industrial shifts. Despite the seeming incongruity of recruiting in an era of no-growth, the realities of the employment consequences of no-growth or decline appear to be striking home.

Employment Dilemmas

The wilting of metropolitan areas raises to new heights the crisis of function of the American city. "The city's major historic role in the United States has been as recipient of successive waves in immigrants . . . the city has provided some entrepreneurs with a source of cheap labor, and for the migrant to it, the city has offered employment at levels of skill he could meet." But without jobs and without the high levels of innovation in new products which create new jobs, the integrative function may pass by the boards. One could argue that the heavy representation of minority groups in governmental jobs indicates the traditional role still is being fulfilled. but in new fashion. Yet the fiscal dilemmas arising from stagnation make such employment precarious indeed, as municipal and governmental job tenure becomes increasingly less secure.

Effects such as these must be evaluated by income class. The less skilled will apparently bear the brunt of the burden of no-growth and decline. Only those in the public sector may, and we stress may, enjoy some measure of protection. But clearly the affluent will probably be the least affected; they have the jobs least likely to be terminated, while at the same time may enjoy the benefits of lessened congestion. And if they have to be, they are much more mobile. Yet their insularity is not unbreachable. As Wilbur Thompson points out, any no-growth context implies:

> serious employment problems even for the most talented. Young professionals out West are pushing for no-growth so that the wait at the ski line is shorter. They will come to understand that under no-growth, the wait for promotion at the office is going to be longer—a hell of a lot longer.

The implications of no-growth or stagnation may be much more far-ranging than its advocates initially envisioned.

Paradoxically, the shift of economic opportunities to the South may not measurably alleviate the extant unemployment problems there. As Wilbur Thompson points out, new manufacturing plants in the South serve as magnets for drawing in higher skilled workers from the North. This easy mobility has the consequence of inflating the local labor force. Towns may grow, yet still struggle with the burden of endemic unemployment. Moreover, Thompson stresses that manufacturing firms are favoring the white South-Northern Mississippi, the white hill country, and northwestern Arkansas. They are not locating in the black Delta towns. "There are a number of reasons for this new form of racial discrimination . . . Relocating manufacturers find the hill country white workers are free thinkers who reject unions, while black workers seek the protection of unions. With white labor, there is neither a union problem nor a racial problem." Consequently, as suggested by a fashionable platitude, growth does not solve all problems or create opportunities for all. But this is of little consolation for aging metropolitan areas.

Stagnation and Ownership

A by-product of a declining area is the weakening of ownership-profit-motivated ownership-in both housing and an array of economic ventures. Lacking this, the necessary continuities-financial and psychic commitments—which help create and ensure a viable area cannot be secured. Owners in such a locale fear there will be no takeout mechanism, no means to secure the recapture of equity, as decline becomes synonymous with a reduction in the attractiveness of the enterprise. Even if a profit can be secured, owners wonder, will a party eventually emerge who will be willing to acquire the built up assets? And these sentiments ultimately tend to filter down even to the individual homeowner. As Roger Starr observes:

> This is one of our great problems . . . nobody really wants to own anything except for the purpose of making a very short-term, easy killing, or else for the purpose of offsetting other income and then walking away from it the moment its tax shelter usefulness has disappeared.

And if, as statistics mentioned earlier suggest, the most talented and affluent move away, then this scenario is likely to become ever more pervasive. And this process may feed on itself as more owners sell out cheap or simply walk away. This weakening of ownership portends significant difficulties for declining areas, particularly in the light of the predominant characteristics of aging metropolitan settings—complexity and interdependence.

The Declining Viability of Complexity

The rise of the American industrial metropolis was predicated upon levels of complexity and interdependence unprecedented in city building annals; it represented the final evolutionary stage of the dense urban configuration. Today, however, this complexity has become one of the metropolis's greatest liabilities. The wide range of services that urban centers offer depend on substantial cooperation between interdependent elements. Such cooperation may be difficult to achieve as, in Wilbur Thompson's words, our cities become increasingly "undisciplined." One example of this dilemma is mass transportation, a vital public service in congested urban centers. Clashes between government administrations and service employees—now becoming a regular feature of city politics—threaten the continuous availability of mass transit. From the perspective of the metropolitan resident, reliance on city services such as transportation creates a daily dependency on events beyond one's own control, a susceptibility to the actions of external parties.

Insularity can most easily be achieved through migration to less complex, more primitive environments, an event which is increasingly in evidence. There one is less affected by external vagaries. Indeed the entire suburbanization movement can be viewed as a search for autonomy; as Berry suggests, this flight to freedom has now evolved into a regional phenomenon.

Roger Starr reiterates this belief [illegible] reference to housing. The current problem of this system is the large multiple family building—even termed "complex"—whose very functioning is dependent on a variety of building services provided the tenants. While this is the mode of housing in high density locations, Starr points out that it is becoming less and less viable, since

> operating costs have risen fast, largely because of the prod of unionization and higher fuel costs and electric costs . . . That is the reason why these apartment houses are running in arrears . . . it just costs too much to run them. People don't contribute their own services . . . the three-family house . . . has worked out very well because all of the professional services done in housing by unionized workers are done by the owner, who doesn't expect to get paid in cash by the tenant but who does it on sort of an accrual basis, hoping that his house will become more valuable over the years.

Indeed, the single family home in suburbia has been the historic means to internalize costs, and protect oneself from dependence on daily external services. So, complex transportation systems, complex housing arrangements, and many of the other complex configurations of modern urban life appear to be losing viability in an era of expensive service costs and spiraling energy prices. Moreover, the high degree of interdependency they require is making them increasingly vulnerable in post-industrial America. Internalization of services and insularity appear achievable only in more primitive settings, leaving policymakers in the vacated areas perplexed as to feasible and appropriate responses.

The Action Syndrome

One of the most predictable consequences of decline in older metropolitan areas is a sense of panic and the undertaking of possibly counterproductive actions. Roger Starr observes that one of the things that happens when an area stops growing and begins to stagnate

> is a sense of panic among those responsible for executing its policies . . . we feel the ground slipping away beneath us . . . we do things which we can't afford, and we do them more and more desperately than ever . . . we try to balance political demands one against the other, and try to use up every subsidy that's presented.

Construction projects are undertaken, not because their end product will alter the basic situation, but because subsidies are present and employment will be promoted. Overemployment in other fields—such as health services—is fostered only because transfer payments are available. And structures and systems are built whose utility is questionable, and whose build up involved the destruction of sound elements in order to put people to work. "When you begin this type of expansionist atttitude, the feeling is that there is always more someplace, while the reality is . . . we are on a downward slide." And as Roger Starr points out, all of this can be linked to the decline in manufacturing and basic employment prospects. With their disappearance, the historic integrative mechanism for in-migrants is lost, and fears mount that a large part of its population is permanently redundant. But, governmental attempts to fill the employment void with actions that are available to them could have the effect of sacrificing the very elements of urban fabric which could serve as anchors in a more positive, yet more difficult, regenerative strategy.

Intervention and Futility

As we have suggested, the action syndrome more often than not may produce results whose long term interventionary benefits are questionable. This is particularly so if our underlying assumption is valid: that what we are seeing is the working out of deep-seated market forces and long-term social processes. Consequently, Brian Berry questions:

> whether a little bit of intervention, tinkering with the mechanism, can turn things around, because individuals are quite inventive in taking these tinkerings and turning them into quite contrasting uses. . . . To turn around what is a very long-term and deep-seated process would demand the kind of fundamental change in the nature of the value system that . . . is politically unacceptable because it is culturally unacceptable at this time.

Moreover, the futility of limited intervention can be further emphasized if we realize that many of the problems which are surfacing right now are the result of processes that have occurred in the past—

we really are unable to intervene in the basic causes. Therefore, Berry suggests;

> We had better start thinking in terms of not recapturing past glories but somehow inventing in those cast-off neighborhoods some new kind of glory that can be the next thing on what I call the "frontiering agenda."

The Permanence of Decay

The ominous vocabulary of the preceding sections appears to recognize the strict limitations of governmental intervention. Indeed, as Roger Starr emphasizes, governments must get out of the habit of promising happiness. They must disclaim being in the happiness business and reduce the focus of their attention to matters they are realistically able to deal with. And one of the things they may not be able to significantly affect or resuscitate are nonviable neighborhoods.

The experience of the private market in regard to declining areas was embodied for generations in their vacation by banking institutions, commercial interests, home improvers and the like—the beginnings of the weaknesses in ownership eventually led to redlining. The recognition of the unfairness of this process by society not only swept away the prejudice of the previous generation but also some of the basic wisdom in terms of the facts of life of nonviable areas. And one of these facts is, as Roger Starr points out, the small group of households who are destructive to any neighborhood.

> This means that we have to face the fact that part of a city . . . will remain a permanent slum, so that the penetration of good neighborhoods . . . by households who really can't live peacefully in them is stopped. . . If we can't face that problem as a society, if we can't talk about it frankly with each other I think there is nothing we can do about bad housing that is going to protect it. . . Every city has had a permanent slum, and I would simply withdraw all housing construction efforts from certain areas . . . we can demarcate these areas and concentrate housing investments in other areas where they can accomplish something for the people who are living there.

Starr's comments reflect the growing ambivalence directed toward the rehabilitative model of the nature of men and echo the sentiments of Berry that firmly embedded market and social contours cannot be readily, if at all, deflected by governmental policy. This implies a contraction of the scope of our efforts to promote stability rather than resuscitation.

Governmental jurisdictions may well have to accept as a fact of life the permanence of decay, concentrate on those things it can realistically deal with, and avoid, as was suggested earlier, thinking about recapturing past glories.

A Final Word

Some urban scholars have questioned the rush of concerned attention that has greeted the suggestion of the aging, stagnating, or declining metropolis, citing the apparent contradiction of European centers, where stability and viability have coexisted in harmonious fashion. Perhaps the clue to American uneasiness lies within the hidden rationale of its unique form of democracy as perceived by Daniel Boorstin in *The Americans: The Democratic Experience:*

> Was the brighter, richer, more open life that America promised, a product, then, not of a high standard of living, but only of an always rising standard of living? Did the human richness of American democracy come not from the attainment of wealth but from the reaching for it? Perhaps the best things in

democracy come not from having but from seeking, not from being well off but from becoming better off?

If this represents the essence of the American spirit then the aging metropolis may be the culmination of individual and corporate perceptions that obsolete industrial settings are synonymous with closing vistas in a post-industrial era. The aging metropolis generally does not have the cultural, administrative, and educational functions to fall back on as does its European counterpart, whose milieu is not predicted upon mobility and advancement, ethics so much a part of the American scene. And that is one of the vexing implications of the aging metropolis. When areas are, at best, standing still, it is extremely difficult for the bottom layers to advance, even if the more mobile elements depart in pursuit of the better life.

Our declining regions were built and sustained on the basis of manufacturing and other product-oriented industries. The obsolescence of their physical infrastructures with technological and transportation developments has fostered movement to new places, and removed the mechanisms by which in-migrants were transformed into workers in an industrial society. Will the remaining forms of post-industrial employment be able to serve the same functions as manufacturing? This is quite a different question than that which faces European centers during periods of no-growth.

So while the post-1970s transformation may represent the continuing preeminence of the traditional cultural traits, their evolution to a new spatial scale, and a fleeing of the hindrances toward economic and social advancement, what remains is the specter of new harsh realities—of urban effluents, of fractured opportunities, and of bypassed resources—that cannot be ignored.

Chapter 2.

THE STRONG SUNBELT CITIES AND THE WEAK COLDBELT CITIES

By Richard P. Nathan and Paul R. Dommel

Question. What can we do about the problems of the cities?

We are at the same time optimistic and pessimistic, optimistic because many large cities in America (especially in the South and West) are strong and healthy, pessimistic because the problems of some infected core cities are so severe.

The nation does not have a single urban crisis. The most important difference between big cities is regional. The most troubled cities—those with what can be called "urban crisis conditions"—are concentrated in the Northeast quadrant, the Northeastern and Midwestern states combined. Typically, these troubled cities are old cities with boundaries encompassing a relatively small proportion of their total metropolitan area and characterized by problems of aging structures and a concentration of high cost, low-income population. Conversely, the less troubled cities and those with brighter prospects for the future tend to be the newer cities with a growing middle-income population.

Key words in the preceding paragraphs are regional and boundaries. Most of the nation's troubled cities are located in the Northeast quadrant and have remained, in geographic terms, substantially unchanged—or nearly so—for sixty to 100 years. They are frequently surrounded by incorporated municipalities which makes annexation extremely difficult and consequently they must survive on a limited and diminishing resource base.

In a recent study using 1970 census data, we compare the socio-economic conditions of fifty-five of the nation's largest central cities with the same conditions for their surrounding suburban area.[1] The results showed that newer, spread cities in the South and West often face the exact opposite situation of troubled cities in the Northeast quadrant. They have been able to spread out geographically and thus expand their resource base (both for personal income and real property). Comparing the socio-economic conditions of cities and suburbs in the Sunbelt region, a number of Sunbelt cities are better off than their surrounding suburbs.

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[1] The 55 central cities selected are all in standard statistical metropolitan areas, SMSAs (defined in Census data), which were over 500,000 population in 1970 and have a significant suburban population. The six factors used in this analysis were unemployment, dependency, education, income, crowded housing, and poverty. Dependency is persons less than 18 or over 64 years of age as a percentage of total population; education is the percentage of persons 25 years of age or more with less than twelfth-grade education; crowded housing is the percentage of occupied housing with more than one person per room; poverty is the percentage of families below 125 percent of the low-income level. The ratios for each indicator were mathematically standardized to avoid giving undue weight to any of the six factors. Two kinds of comparisons were made: (1) central cities compared to their own suburbs, and (2) the 55 central cities compared to each other and the suburban areas of each SMSA compared to each other. The mathematical equations used for the analysis and standardizing the data are presented in "Understanding Central City Hardship," *Political Science Quarterly*, Vol. 21, No. 1, Spring 1976, pp. 61–62.

Analysing urban distress

For this analysis of the central cities and their surrounding suburbs in the largest metropolitan areas, we developed a standardized index to measure and rank city-suburban social and economic disparities. It is often these disparities that create the typical dynamics of population and economic decline for distressed central cities. As more residents and businesses move to the suburbs, the city's tax base is driven down. Property or other tax rates have to be raised to compensate, and this, in turn, forces more people and industries to leave. The picture is a familiar one. A reduced demand for living and working space in the central cities, because of these higher costs, attracts the poor and exploitative industries (if any). There is a natural law for these high-disparity cases between the central city and the suburbs: "The worse things get, the worse things get." It is a continuous process, feeding on itself.

According to the standardized index used to compare cities and their suburbs for this analysis, cities rating 100 have essentially the same socio-economic conditions as their suburbs; cities over 100 are worse off than their suburbs. Of the fifty-five central cities studied, forty-three have indexes greater than 100; two are at 100; ten are below 100. Fourteen cities are over 200 on this hardship index as shown in Table 1.

TABLE 1.—INDEX OF CENTRAL CITY HARDSHIP RELATIVE TO BALANCE OF SMSA AND SELECTED POPULATION DATA FOR CENTRAL CITIES WITH AN INDEX RATING OF OVER 200

Primary central city of SMSA	Region [1]	Central city hardship index	SMSA population, 1970		Percent population change, 1960–70	Percent land area change, 1960–70	Percent per-1939 housing, 1970
			Total (thousands)	Percent central city			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Newark	Northeast	422	1,857	20.6	−5.7		68.4
Cleveland	do	331	2,064	36.4	−14.3		73.3
Hartford	do	317	664	23.8	−2.6		67.0
Baltimore	do	256	2,071	43.7	−3.5		60.0
Chicago	North central	245	6,975	48.2	−5.1		66.5
St. Louis	do	231	2,363	26.3	−17.0		73.9
Atlanta	South	226	1,390	35.8	2.0	3.2	30.3
Rochester	Northeast	215	883	33.6	−7.0		79.5
Gary	North central	213	633	27.7	−1.6		43.7
Dayton	do	211	850	28.6	−7.4	12.3	52.1
New York	Northeast	211	11,572	68.2	1.5		62.1
Detroit	North central	210	4,200	36.0	−9.4		61.8
Richmond	South	209	518	48.2	−13.4	60.0	44.8
Philadelphia	Northeast	205	4,818	40.4	−2.6		69.5

[1] The Northeast includes all of the New England States plus New York, New Jersey, and Pennsylvania. The North-central region includes Michigan, Ohio, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Missouri, North and South Dakota, Nebraska, and Kansas. The South includes Kentucky, Tennessee, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas. The West includes Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Arizona, Washington, Oregon, Nevada, and California.

Sources: Central city disadvantage index calculated from data in U.S. Bureau of the Census, "County and City Data Book, 1972" (Washington, D.C., 1972), tables 2, 3, and 6; populations from U.S. Bureau of the Census, "1972 Census of Governments," vol. 1, Governmental Organization (Washington, D.C., 1972), table 19; pre-1939 housing data from "1970 Census of Housing, Detailed Housing Characteristics," table 35.

Many cities are relatively well off

Of the ten central cities found to be better off than their suburbs in 1970, all are in the South and West except Omaha (Midwest). Four are in a SMSA with over one million population—Houston, Phoenix, San Diego, and Seattle—and in all of these SMSAs the central city itself was over 500,000 population in 1970. The ten central cities below 100 on the index are shown in Table 2.

TABLE 2.—INDEX OF CENTRAL CITY SOCIAL AND ECONOMIC CONDITIONS RELATIVE TO BALANCE OF SMSA AND SELECTED POPULATION DATA FOR CENTRAL CITIES WITH A COMPARATIVE INDEX RATING OF LESS THAN 100

Primary central city of SMSA	Region	Central city-suburban index	SMSA population		Percent population change, 1960–70	Percent land area change, 1960–70	Percent pre-1939 housing, 1970
			Total (thousands)	Percent central city			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Omaha	North central	98	540	64.3	15.0	60.2	46.1
Dallas	South	97	1,556	54.3	24.2	4.7	18.1
Houston	do	93	1,985	62.1	31.4	35.2	17.3
Phoenix	West	85	968	60.1	32.4	32.3	11.2
Norfolk	South	82	681	45.2	1.0	.5	30.5
Salt Lake City	West	80	558	31.5	−7.2	6.5	52.1
San Diego	do	77	1,358	51.3	21.6	62.8	21.7
Seattle	do	67	1,422	37.3	−4.7	2.2	47.6
Fort Lauderdale	South	64	620	22.5	66.9	39.0	7.6
Greensboro, N.C	do	43	604	23.9	20.5	9.7	20.7

Sources: Central city disadvantage index calculated from data in U.S. Bureau of the Census, "County and City Data Book, 1972" (Washington, D.C., 1972), tables 2, 3, and 6; populations from U.S. Bureau of the Census," 1972 Census of Governments," vol. 1, Governmental Organization (Washington, D.C., 1972), table 19; pre-1939 housing data from "1970 Census of Housing, Detailed Housing Characteristics," table 35.

Given the relatively much stronger position of these large cities compared to their suburbs, it seems to us reasonable to conclude that although the public often associates urban problems with city size, it is not necessarily size, but other factors that produce these problems.

We also compared central cities to each other, and it is important to undersand why we did this. Some central cities which are relatively well-off have very rich suburbs, thus their disparity rating can be high despite their reasonably healthy condition. Chicago is a good example. Its high disparity rating (fourth in Table 1) is in large part due to its rich suburbs. When compared to other central cities, Chicago ranks twenty-third. New Orleans, on the other hand, has a low rating for both its central city and its suburbs, thus producing a rank of twenty-second when city-suburb ratios are compared, as opposed to third when central cities are compared to each other.

Summarizing the data on urban distress

Putting these two indices together, one can zero in on the most distressed cities, both in relation to their suburbs and in relation to each other. The seven central cities which stand out as most distressed are Newark, St. Louis, Gary, Baltimore, Cleveland, Detroit, and Hartford. They are among the fourteen central cities above 200 on the city-suburb disparities index in Table 1, and are also among the fourteen "worst" central cities when the social and economic conditions of central cities are compared to each other.[3]

Other big cities in the Northeast quadrant with distress conditions but, in effect, at a lower level are Philadelphia, Buffalo, Youngstown, Cincinnati, Grand Rapids, Jersey City, Providence, Boston, and Milwaukee.

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[3] See "Political Science Quarterly," op. cit., table 2, p. 55. Available as Brookings Technical Reprint T–012.

New York City, according to this analysis of social and economic conditions, is not among the most distressed central cities on the basis of the 1970 data used in this comparative analysis. However, New York, has been experiencing cataclysmic fiscal problems in the period since 1970, not the least of which are the city's own fiscal management policies, which eventually may alter its hardship standing.

These data, of course, are aggregate data, comparing cities as a whole with their suburbs and with our cities. Included in our research on cities are field studies for sixty-two urban governments. From these field studies it is clear that the kind of distress and blight discussed here is an even more localized infection in many cities. One has but to go to North Central Philadelphia, East Detroit, North St. Louis to prove the point. At the same time there are also smaller cities, not classified as central cities, which face the same kinds of distressed and blighted conditions as central cities. Camden, New Jersey; East St. Louis, Illinois; and Compton, California are examples of the latter.

Growing and declining cities

We are currently expanding our analysis of big cities to look for casual explanations and policy implications. An important factor closely related to the data presented so far is population change. To us, it is highly significant that the fourteen cities with the highest index ratings in Table 1 lost an average of 4.2 percent of their population between 1960 and 1970, with only three of the fourteen gaining during that period.[3] The largest population growth was experienced by Richmond, Virginia, which increased 13.4 percent between 1960 and 1970. It can be noted from Table 1, however, that Richmond increased its territorial size by nearly two-thirds (col. F) in this period. It should also be noted that between 1970 and 1973, Richmond lost over 13,000 population. Further, the other two gaining cities—Atlanta and New York—have also declined in population since 1970. Only one city—Gary—has changed its gain-loss position, gaining two percent from 1970 to 1973. Thus, between 1970 and 1973 thirteen of the "worst" cities on our index lost population, their losses averaging 7.3 percent, a higher collective loss rate than for 1960–70!

At the other end of the scale, the ten relatively better off cities in Table 2, gained in population an average of 18.5 percent between 1960 and 1970, by natural growth, immigration, territorial expansions or combinations of these factors. Only two of the ten—Salt Lake City and Seattle—lost population. Between 1970 and 1973, six of these ten continued to gain.

We observe many important relationships between gainers and losers. If we break out population changes for the fifty-five central cities analyzed in our study into two broad groupings of population gainers and losers between 1960 and 1970, interesting characteristics can be noted, as shown in Table 3.

We draw a few summary, but we would stress tentative, conclusions. Given that the income of Blacks is about 60 percent of whites, it is important, that cities with a declining population also tend to have a

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[3] These are unweighted loss rates, i.e. not weighted for differences in population size among the fourteen cities considered here.

TABLE 3.—RATES OF CHANGE DURING PERIOD 1960-70 IN BLACK POPULATION, PER CAPITA INCOMES, MEDIAN HOUSING VALUES AND GOVERNMENTAL COSTS FOR 55 LARGE CITIES, RELATIVE TO POPULATION GAINS OR LOSSES

Population experience, 1960-70	Number (A)	Percent population change (B)	Average percent black (C)	Per capita income, 1970 (D)	Rate of income change, 1960-70 (E)	Median house value, 1970 (thousands) (F)	Rate of value change, 1960-70 (G)	Common-function expenditures: Per capita, 1970 (H)	Common-function expenditures: Rate of change, 1960-70 (I)
Population losses....	29	−7.9	27.3	$3,093	1.55	$16.3	1.25	$129.40	2.11
Population gains.....	26	21.3	19.3	3,349	1.59	16.9	1.36	139.62	2.15

Sources: Population, income and housing value data from U.S. Bureau of the Census, "County and City Data Book, 1972" (Washington, D.C., 1972), table 6; expenditure data from U.S. Bureau of the Census, "1972 Census of Governments," vol. 4 No. 4, Finances of Municipalities and Township Governments (Washington, D.C., 1972), table 12.

higher proportion of Blacks. Thus it is not surprising that the data show the declining cities with lower per capita incomes ($3,093) than growing cities ($3,349), a difference of nearly 10 percent. For the property tax base, the situation is the same, although not as striking. The declining cities have lower median housing values ($16,300) than the growing cities ($16,900). What we see for the future is that these two major tax sources—income and property—are growing at a faster rate in the growing cities than in the declining cities. Per capita income growth has been about five percent faster in the growing cities of (col. E) while home values have been increasing about 11 percent faster (col. G).

Furthermore, these growth rate paterns do not seem to be offset by cost patterns. Looking at the common functions of local government, the growth of these expenditures have been faster than the growth of the two major local tax bases, income and homes, for both groups (col. I).

As we have indicated, this is ongoing research; we intend to probe further on these and other ways of classifying and analysing the conditions of big cities in the U.S. But the picture emerging is that regional differences stand out; that there is marked diversity in big city conditions; that distressed cities tend to be declining; and that declining population is associated with economic prospects for the future that appear likely to exacerbate the difference between distressed cities and those that are relatively well off.

The Importance of Structure

Another important characteristic of distressed cities, as already noted, is their boundaries, their political structure. (This analysis deals with boundaries as they existed in 1970.)

One essential aim of our work has been to show where the burdens of urban decay can be, and are being, dealt with on a broad geographical basis, whereby services in the core city are provided by area-wide metropolitan governments or by expanding the boundaries of the central city. Under both approaches, inner city burdens are shared with more affluent outlying areas. Such metropolitan-area governments, as Jacksonville and Indianapolis, or spread cities, like Houston and Phoenix, make blight easier to deal with, and also less likely to occur. We believe a third approach, two-tier government (as in Toronto and London) may actually be the best structural model for burden-spreading within a metropolitan area because it combines two important political values—the preservation of local autonomy with fiscal burden sharing. Among U.S. cities, Los Angeles (city and county) and to an extent Miami and Dade County, Florida, come closest to this ideal of individual community governments which are part of a larger metropolitan area government.

The role of State governments in assuming fiscal burdens for distressed cities and the same role as played by area-wide special districts (water, sewer, sanitation, etc.) and county governments are important subjects for these hearings. The remainder of our testimony, however, focuses on policy implications and options for the Federal government in relation to the kinds of urban people problems—highly differentiated, regional and structural—discussed so far. We begin by noting an important overlap between two national issues now being widely discussed.

Problems of the Northeast Quadrant

There is emerging a striking convergence of two important domestic policy themes. In recent months, leaders from the Northeast and Midwest have called national attention (and rightly so) to the relative decline of the old industrial States vis-a-vis the Sunbelt. For an even longer time, observers of the urban scene have been calling attention (again rightly so) to the serious conditions of decay and hopelessness in the nation's infected core cities. These two themes are more closely related than is generally recognized. They come together for purposes of national policy: The preponderance of infected core cities in the United States are in the Northeast Quadrant.

In fact, we are increasingly coming to the view that the problems of old, declining, and isolated core cities is the domestic problem of the United States.

It is customary in statements about domestic policy to talk about the job crisis, the welfare crisis, the crisis of educational deficiencies and the drug crisis. What we observe is that all of these problems come together and are most serious (truly qualifying as critical and urgent problems) in the core cities, but that in many healthy cities and suburban areas the nation's domestic problems are not so serious, and indeed are not perceived by residents in such critical and urgent terms. This is not to say that central cities outside of the Northeast and suburban and rural areas don't have problems, only that their problems are not likely to be so compounded and acute as to warrant being described as crisis conditions.

A comparison between the United States and other industrial nations supports the point. European cities are centers of cultural, social and economic activity. America's infected core cities offer a bleak contrast.

Five possible approaches

We see several ways in which the Federal government can help to relieve the "urban crisis conditions" of the nation's most distressed central cities:

The Federal government can enact a "Marshall Plan" for distressed cities.

The Federal government can change formulas under existing Federal aid programs to concentrate financial aid on distressed central cities, for example, by revising the distribution formulas for general revenue sharing and the block grant programs for community development, manpower, and social services.

The Federal government can rely on a strategy which provides aid to needy families and individuals in the form of direct transfer payments, such as cash assistance, health care, food stamps, scholarship aid, and subsidies for day care and housing. This does not necessarily require a single "income strategy." Transfer payments can be made through a number of programs.

The Federal government can adopt an explicitly structural approach which requires (or provides strong monetary incentives for) State, county, and suburban governments to change their boundaries and realign functions on a basis which enlarges or in some other way changes the structural character of distressed central cities and thus their resource base.

The Federal government can concentrate on particular functions, like education or public service jobs, and provide assistance on a basis that is heavily weighted in favor of central cities.

Thinking about solutions

As stressed in this statement and reflected in the fourth possible approach listed above, the examination of governmental structure in relation to economic and social conditions is essential for understanding and dealing with urban needs.

There are, in fact, increasing signs that the issue of whether the Federal government should intervene in matters of local structure will become the central question of domestic policy in the next decade. Reasons why this debate is likely to intensify are not hard to find. Unless the Federal government intervenes in some way in structural matters, it is hard to see how national policy can on an equitable basis and on a significant scale, deal with the social and economic problems of distressed central cities. Any structural policy must also involve State governments since it is State government that sets the basic rules of the game for local government boundaries, functions, and finances.

Structural policies and politics have important (in fact, critical) implications for the allocation of resources. A Federal grant-in-aid program aiding the twenty or twenty-five central cities that are worst off would in many cases be detrimental to precisely those metropolitan regions which have done the most on their own to reform their governmental structure and alter their boundaries. Hence, the question arises: If Jacksonville or Indianapolis deconsolidated and separately incorporated their poverty-impacted core area, would they be able to receive aid, or more aid, under a special Federal program of grants to poverty-impacted core cities? While this may right now seem quite hypothetical, what we are suggesting is potentially of great significance, namely that special Federal grants for poverty-impacted areas could have counterproductive structural outcomes. At the same time, the ability to "reform" in terms of boundary adjustments would be constrained in precisely those areas with the greatest problems. The nature of American federalism with so many different governmental constellations, greatly complicates the task of designing a Federal policy to deal directly with cities on a generalized basis.

Simple, neat, and wrong

One of our favorite commentators on the American scene (and we're not alone), H.L. Mencken, once said, "For every human problem, there is a solution that is simple, neat, and wrong." Marshall Plans for the cities can easily fall into this trap of being too simplistic, too dollars and cents oriented.

On the other side, Daniel Patrick Moynihan has criticized the "complexifiers" of national problems and we resist this role. While we are mindful of his admonition, our aim has been to bring into focus some of the pitfalls of oversimplified policies.

A three-part urban strategy

In our monitoring study of revenue sharing, we documented steps that could be taken to modify the formula for distributing these funds.[4] We testified, although without much impact, on such proposals at hearings on that legislation. Under this program and more broadly under the new Community Development Block Grant program which we are also monitoring, we observe a *Natural Law of Federal Grants:* Given the chance, governments will *spread* benefits (the "something-for-everybody" natural law). This is true both in national formulas distributing Federal grants-in-aid and in the use of these funds at the State and local levels. It is for this reason that we believe that transfer payments—adequate, equitable, and based on need[5]—along with soundly-conceived and equitable government-to-government aid are vital instruments for dealing with the problems of core cities. As a third part of such a Federal agenda, efforts must be made to encourage burden-spreading and resource sharing within metropolitan areas through structural reforms.

Our theme at the outset was one of optimism and pessimism—optimism because many large cities are strong and healthy, pessimism because the problems of infected core cities are so serious. We believe this is the right diagnosis and that a combination of: (1) government-to-government aid targeted more effectively on the problems and conditions associated with urban distress; (2) transfer-payment reforms; and (3) inducements for structural changes, are the proper course of action for the Federal Government.

In conclusion, we would warn against big and ambitious slogans that promise or imply quick answers. A new program of Federal grants targeted on the most distressed core cities may be possible and may be a better answer than the three-fold incremental approach we have described. But even if such a plan is enacted, calling it a "Marshall Plan" and building up expectations in this way would not be a good idea and runs the risk of repeating the mistakes of the past. We urge being long on policy and short on rhetoric in recognition of the depth and stubbornness of the problems of America's infected core cities.

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[4] "Monitoring Revenue Sharing" (Brookings, 1975), Chapter 6.

[5] Federal and state financing of these programs can be effective instruments for burden-spreading and interjurisdictional equalization.

Chapter 3.

LAW ENFORCEMENT ASSISTANCE: A CASE STUDY OF A TROUBLED FEDERAL URBAN PROGRAM

By Mark H. Furstenberg

Every two or three months something happens which gives me a powerful sense of déja vu. What happens generally takes me back to the early Sixties. I was working on the Special Projects staff of the White House, and you may recall that during those years, for the first time since the Thirties, poverty began to be on the minds of people other than those who were poor.

President Kennedy got interested in poverty in Eastern Kentucky, and ordered an emergency assistance program which involved a number of federal departments and agencies. I was one of those involved in coordinating that effort, and spent a number of months here and there trying to do that.

Very little of the $30 million raised from federal programs reached the people it was supposed to help. Trying to squeeze it our of federal agencies was difficult enough; but the regional offices, state counterpart agencies, and local governments simply sank the program in regulations and inertia. It was one of the most frustrating professional experiences I've had. I tried to write an article about it, but I really couldn't because I couldn't really understand what had happened to all those good intentions and all that money. And nobody else seemed interested in understanding it.

Since then I have come to understand better some of the problems of implementation in federal programs. Since then, I moved from poverty to the police field—which is not really as large a step as it may seem. My field is a wonderful illustration of what happens when public interest generates political action which generates federal programs and money and new agencies; and very little of what is supposed to happen does happen.

I have seen this now from the perspective of those who work here in Washington, administering federal programs; and I have seen it from the local levels as well. I have been a consumer of a federal grant program; I administered federal grants in the Boston Police Department and tried to use them for the purposes for which they were intended. These are the experiences on which I draw as I speak to you today.

I am going to try to focus on implementation of federal programs, offering some reasons why intentions which begin here do not have at the local level the consequences they are supposed to have. In doing so I have in the back of my mind a wonderful little book by Aaron Wildavsky and Jeffery Pressman called *Implementation* (*or How Great Expectations in Washington are Dashed in Oakland*).

This is a very sensible book which argues that "failure to recognize that perfectly ordinary circumstances present serious obstacles to implementation," and that "if one is always looking for unusual circumstances and dramatic events, he cannot appreciate how difficult it is to make the ordinary happen." I think that is one lesson of what I am going to say today.

One more word of introduction: I am going to dwell on some of the problems of my field, but I do so only because I am confident that it is entirely typical of other efforts by the federal government to get money where the problems are, whether that be in medical care programs, welfare, or employment or housing. It also illustrates some of the obstacles to "creative federalism," whatever that is. And I think it illustrates some of the difficulties of making change with federal funds.

Clearly crime is a premier problem of urban life. And perhaps more than is the case with other urban problems, the agency most responsible for managing crime is purely local. Police departments have been under a lot of pressure during the past decade. Some of it was the inevitable consequence of a public alarmed about crime; but much of it was the unnecessary consequence of the words and acts of national public figures and federal agencies.

As crime becomes a national issue in the mid-Sixties, people who live in cities began to feel a sense of dread about the prospect of life there. Instead of helping them deal with those fears, some national politicians played on those fears and made them worse. One President declared war on crime, and was replaced by another who said that crime would be reduced when the soft line was replaced by his hard line.

Meanwhile month after month, quarter after quarter, the FBI made public the statistics it collects on crimes reported to local police departments. It fed them back to the local press in press releases which said, "Crime rose 6 percent in your city during the first quarter of 1976." Reporters would then come to the mayor and police chief, and say, "What are you doing about that?" And instead of leveling with the public they would find some new gimmick or promise to replace the old gimmicks and promises.

What they should have done is to have said, "We don't know how to control crime. And besides those statistics don't mean anything." But how can a mayor or police chief say that when the President of the United States and the Attorney General are saying that it is easy? So mayors fired police chiefs, and found new ones. And the public fired mayors, and found new ones. And it would all start over again.

It was quite an arrangement. Responsibility for the criminal justice system rests at the state and local levels. The federal government does little of any consequence. So when the leaders of the federal government made promises which were entirely unrealistic, the blame for not redeeming those promises was placed not on them, but on local government.

In this kind of atmosphere it is difficult to use resources intelligently. Even in ordinary times, police officers tend to get put where the political power is, not necessarily where the problems are. Even under ordinary circumstances, we look for easy solutions to complex social problems. But with the added pressures from Washington, it was difficult for local officials to keep their balance.

Their natural response was to look for highly visible, public relations projects. A police chief would get a new IBM 360–40 which, he promised, would predict just where and when handbags will get snatched so that police officers can be there to grab the criminals.

The fully automated vehicle monitoring system will get police officers to the scene of a call within 90 seconds. The fleet of police helicopters will be seen and heard by criminals and citizens alike. We just didn't know what else to do.

It was in this atmosphere that Congress created the Law Enforcement Assistance program, the federal government's grant-in-aid program for criminal justice improvement. This is the one program about which I must speak in assessing how well federal dollars accomplish at the local level what they are supposed to do, and to what extent they even reach the local level.

The theory which lay behind creation of the LEAA was that local and state agencies are so deeply immersed in meeting day-to-day responsibilities that they cannot be expected to innovate. Yet innovation is essential if progress is to be made in reforming criminal justice agencies. And on that progress depends our ability to deal more effectively with crime. So LEAA was supposed to provide funds for experimentation, innovation, evaluation, and change.

From the very beginning it has been a very troubled program. It had five administrators in its first six years, and that is often said to have been its major probelm. But there were others too. One has been expectations. It is a highly visible program in a highly visible social problem area, and is under pressure to produce spectacular politically usable results. It has been used by those who have wanted to make crime a major political issue, and its priorities and programs have been twisted to do that. As if that were not enough, it has also been a test case for unregulated revenue sharing.

I think Congress bears some share of the responsibility as well. In a field in which practically nothing is known, a federal program got created to encourage experimentation and risktaking. Immediately upon its creation, some people here began to question every risk, and second-guess every experiment. And with the exception of a few people like Congressmen Scheuer and McClory, there was very little strong support for LEAA's doing what it was supposed to do.

But some of its deficiencies seem to me to be even more common to efforts by the federal government to deal with problems that are essentially a local responsibility. And it is on these deficiencies I want to dwell.

My field, like many other social problem areas, is greatly inhibited by how little we know. Virtually everything thought about police, for example, is based on tradition, supposition, or intuition. Police patrol discourages crime and reassures citizens. Officers on foot are more appreciated by citizens than officers in cars. There is more danger to officers who ride alone than to those who ride in pairs. College educated officers are more sensitive to human problems than officers whose education ended at high school.

Everyone of those is a premise on which police organization operations are built. Some are now in the process of being proven wrong; none of them has ever been proven right; and yet each of them is used as a fundamental premise of the field. It is easy to understand how everyone in policing becomes a victim of theory, suspicion, and whim. Ten years ago, everybody wanted consolidation of police agencies, centralization, and mobile, impersonal police patrol. Now everyone wants decentralization of police agencies and highly personal foot patrol.

Because so little is known, because there has been so little experimentation, we tend to grasp for every quick fix we can find. LEAA has done just that. Every technological fad, every organizational gimmick or operational ploy has been made a sensation by LEAA in its search for something to share with agencies under great pressure to improve. Whether it is helicopter patrol, body armor, computer assisted police dispatch, or criminal justice modeling, LEAA has encouraged adoption of whatever is currently making the rounds.

A second problem, related to the first, is, in view of it, particularly regrettable. In a field in which so little is known and so little seems to work, there ought to be a lot of encouragement for risk-taking, and a lot of tolerance for honest waste and error. The federal government should be initiating the process of risk-taking by devising experiments and looking for agencies willing to undertake them. People and organizations ought to be rewarded for their daring. But that is not what has happened.

Instead, risk-taking has been strongly discouraged. As I have said, I blame some of that on the Congress, but LEAA became old and tired before it ever got young and excited. Before programs get approved by LEAA, they must be shown to be relevant to crime control, have a likelihood of success, and be endorsed by virtually all those who might be affected by them. What this really means is that high-risk efforts take so long to get approval, and, if they are, are so closely watched by everyone, they really are not taken on. So again, everyone tends to do the same things which are urged upon them by LEAA, the same old solutions which have not made a great contribution in the past.

It was not my impression that Congress intended this program to play it safe virtually all the time. I know that the crime commission of 1967 in recommending the program did not intend that. But that's the way it is working out. There is virtually no daring in the program. What LEAA calls "innovation" is a paltry thing. It supports in a few agencies a few rather pale and timid projects. It then authorized a million dollar technical assistance program to encourage other agencies to replicate those projects—all without any serious evaluation of their consequences or serious judgment of their importance.

Third, for those who insist on innovation, there are other purely mechanical, bureacratic difficulties. A program in a volatile social problem area in which little is known ought to be flexible, and able to respond quickly to needs and opportunities at the local level. If, for example, the promotional examination of a police department is invalidated by a court which finds that it discriminates against women, that police department ought to be able to get quick federal assistance for an effort to develop a non-discriminatory exam.

Unfortunately, it doesn't happen that way. The effect of decentralization of this program through revenue sharing is that at every level of government there is now an agency with a review process. There is a local agency which reviews ideas, a metropolitan agency, a state agency, a regional agency, and, depending on the "category" of request, the federal agency too. At some levels of government there are entirely different review processes which must be conducted—for compliance with "A-95," the OMB coordination requirement, with Civil Rights compliance, and so on.

It takes so long that creative programs really can't get started. When I was Personnel Director of the Boston Police Department, the Massachusetts Division of Civil Service scheduled an examination for patrol officer. Since we wanted to increase the number of blacks, women, and Spanish-speaking in the Department, we planned a minority recruitment program. We selected a group of police officers, assigned them to the program, equipped them, and requested money from LEAA to advertise our interest in minority recruitment.

What could be a more reasonable request of this program. The crime commission of 1967, which led to its creation, said that minority recruitment was a top priority; the Kerner Commission of 1968 said the same thing. So did all the other commissions. So does every reformer. No one disagrees.

We requested assistance in March for our effort which was to begin a month later. For the following six months, we negotiated, discussed, pleaded, and raged with local authorities, state authorities, regional authorities, and here in Washington. We called on the political power of Massachusetts to help us here—and there. We began our program while all this was happening, and went ahead with it without federal assistance. When the examination was given in October, we were still waiting for a response.

No one, as far as I know, opposed our program. We were not denied funding for political reasons or substantive ones. Indeed, we were not denied funding. Every agency with which we dealt had procedures which had to be followed and requirements which had to be met. For a while we tried, then we argued; and finally we stopped arguing and just observed. It was impossible to get that project funded. It could not have been done.

Fourth, even in this field, crime control, in which we know so little, the federal government discourages diversity and forces conformity. That is very hard to understand. Since very little has been shown to be of great value, we ought to be encouraging all sorts of experimentation and evaluation. Everything that we know about social problems suggests that there are no good answers, and the best that one can hope for is to find some things which may have some effects in some places.

In fact, what has happened in my field is that the federal government keeps getting committed to single approaches as though truth has been discovered. The Presidential crime commission of 1967 advocated that police officers have college degrees. That was sensible enough—at the time—although there certainly was no evidence to support a college degree requirement. Anyway, Congress created an academic assistance program which would give scholarships to police officers and others; and everyone started going to school.

Overnight an enormous criminal justice education establishment was created—consisting now of more than 1100 schools which teach criminal justice programs to LEAA-supported students, mostly police officers. For the most part, what they teach is of very low quality, but LEAA has taken no interest in quality control. It has become committed, as a matter of ideology, not only to encouraging college education, but to criminal justice education—so much so that it declines to support other approaches to education in this field.

That makes no sense at all. We do not know that criminal justice education makes a contribution to people who work in the criminal justice system. We do not know that it makes them more sophisticated, more understanding, more effective, or more humane. We ought to be evaluating education as much as possible and experimenting as much as possible. But here, as elsewhere, truth got discovered early, and it does not get challenged.

The fifth problem on today's list is that when federal funds are made available—for whatever reason—local governments assimilate them, get accustomed to them, and become dependent on them. They can't help doing so, but because they do so, it is even harder to make federal programs creative and flexible. Several years ago, for example—and this is a somewhat spectacular example—LEAA announced its "High Impact" program which was going to invest $20 million in each of six cities over a five-year period in order to reduce street crimes there 10 percent each year.

It was a very bad idea, based on the premise which, by now, ought to be treated as at least dubious, that money can do just about anything. But the point is that a city government which does not have enough money to provide basic services cannot justify using $20 million for innovation, and so some of these cities used some of the money to supplement basic services. At least one of them used its funds to hire, train, and pay police officers. That city, as have others which have used other federal funds for the same purpose, got into trouble when the program ended; and some of those cities are still having trouble paying police officers hired on federal funds.

This problem is becoming more acute as cities run out of money. The mayors of Cleveland, Detroit, Boston, and any one of a number of other cities are having trouble making ends meet. They are not speaking about innovation, change, or improvement; their problems are quite primitive. They are thinking about meeting payrolls and providing basic services like police patrol and garbage collection. Certainly the pressures on them will increase, and they will be more and more tempted to find ways of using federal funds intended for innovation to supplement their budgets for basic services.

The final problem on my list is that of corruption—broadly construed. For although I am willing to assign a great deal of the blame for faulty implementation to the federal government and bureaucracy and ignorance and the rest, I have to acknowledge that, in many cities, many local officials have little interest in the quality of local services. They are far more interested in using their local criminal justice coordinating council as a source of jobs for the politically faithful, giving grants to organizations of people who are politically helpful, and seeing that allies like their district attorney get their share of the funds.

In this sense federal funds in my field are used no differently than the funds provided by CETA or any one of a number of other federal programs. But my field happens to be one of the few in which neither the national administration nor the Congress has seen fit to reduce very much, and so the pressures to use the funds in political ways have been increasing.

My six problems are not the only ones; there are many others. But they are six problems I have encountered repeatedly as I have tried to use federal funds to implement programs. And they are problems which seem to me to be common to other federal programs as well. Their overall effect is to discourage people at the local level—even those who want to do exactly what the programs are designed to do—from using the federal funds for those purposes. It is easier not to innovate than to do so; it is easier to conform to the latest program fad than to do what is important at the local level. In my field it is easier to buy equipment with federal funds than to undertake high risk programs.

The overall consequence is that federal assistance programs gradually become more or less irrelevant to serious efforts to make change through local government. It is nice to have them. It is infuriating to see them being spent frivolously. But the time and effort required to get federal funds, the requirements which must be met, and the restrictions imposed are often so great that to use them creatively is impossible, and to use them profitably is very difficult.

It seems to me that there are some things which can be done about this. I am aware, of course, that much depends on the quality of local government. There is no way for the federal government to make its programs effective at the local level if local officials are not interested in doing so, and competent. Even when they are, it is still very hard.

But there are some things to be done here—and some of them by Congress. Much executive branch timidity, it seems to me, is a consequence of fear of the Congress. I have watched—particularly in those days when John Rooney had the final word on Justice Department appropriations—people, who should have known better, refuse to support important development of my field. Those days are passed, but people still live in fear, much of it the result of a conviction that Congressmen have tolerance for ambiguity—that they insist that there be answers for every question.

There is some merit to their fears. But it is important that Congress let people acknowledge their ignorance, and reward their willingness to grope. They ought to be suspicious of those who keep offering answers when they know perfectly well that we do not know the answers. They ought to insist that program administrators tell them what they are learning and what they are doing to learn more.

I am perplexed by the fact that Congress consistently fails to take an active interest in the quality of the programs it creates. It is always surprising to me to listen to the passionate debates of Congress in the process of creating a federal program—the care taken about the shape of the program, its statement of purpose, and appropriation. Two years after its creation, Congress is prepared year after year to fund it, but take no interest at all in its record.

There is no oversight of LEAA and its programs, and there never has been. There were a couple of explorations, one good one by the Joint Economic Committee which simply was too early. Then the House created a subcommittee chaired by Congressman Conyers from which nothing has been heard. I can't understand this. Why does Congress have so little interest in program effectiveness?

It is not a responsibility which belongs solely to the Congress, of course, monitoring ought to be done by the Executive branch as well. In my field it should be done by the states too since this administration has given so much responsibility to the states. But it really is not sensible to ask agencies to monitor themselves without outside inspection, and Congress is not providing that inspection.

I was very much taken by the remarks made by Wilbur Cohen in an interview with the New York Times published on September 2, 1976. He attributed the Medicaid scandals to Congress's failure to monitor the operations of the program, to the executive branch's failure to require strict enforcement of the law, and to the states' failure to require legal and efficient operation of the program.

There has not been much scandal in my program—yet. But all the same, criticisms could be made of Congress, the executive branch, and the states. Who is responsible for making evaluations of federal programs? When it comes to Civil Rights compliance, there is no question. There is a powerful and effective lobby which sees that federal programs get administered in conformance with the law. I wish there were also an effectiveness lobby which took some interest in whether federal programs also accomplish their purposes. That, it seems to me, is the responsibility of the Congress.

Chapter 4

LESSONS OF THE GREAT SOCIETY

By Robert Wood

Seven and a half years ago, I was an anxiety-ridden optimist—my anxiety hinged on the concern that while we might build housing, we were less likely to build communities. A year later, my anxiety was rising and my optimism slipping. I concluded that we were simply not taking seriously the obligations we had undertaken in our urban legislation: Model Cities, the poverty program, Medicare and Medicaid, and the 1968 Housing and Urban Development Act.

How long ago that seems. How often our best laid plans became the victims of assassinations, of foreign wars, of uncontrolled public passions and poor political sense. I am struck by the irony and tragedy of the years since 1965, when Lyndon Johnson declared that "Our Nation will not be great until our cities are great." What a descent we have seen since—to the moment when Richard Nixon declared presumptuously that the urban crisis had ended.

Now, observes Richard Wade of the City University of New York, "We have the most anti-urban administration in history—outside of Khmer Rouge." Now, says the columnist Ken Auletta, we have a "de facto federal urban policy that amounts to both benign and malignant neglect." How far we have moved, in ten years, from a time when urban America was the beneficiary of the political power of a Texan who grasped intellectually the promise of the city, but who had never experienced it.

To explore that long cold slide—how we got there and how we might recover—let me first take three snapshots of three American cities and reflect on three possible interpretations. Then, perhaps, we could begin to prescribe an urban policy that would be politically feasible for the next President of the United States.

The first snapshot is New York City—the city that forced the urban issue back onto the national agenda last year just hours away from floating belly-up and bankrupt. To a long-time observer it is inconceivable that not its citizens, not its programs, not its internal conflicts, not its bureaucracies should come so close to bringing New York to its knees last year, but its accountants, its bankers, and its financiers, who for so long had profited from the complexities and constraints of municipal finance.

In 1966, when the urban concerns were human in character, John Lindsay cooled the streets. Now, dollars are the concern, and solutions seem harder to come by. The national urban issue is money—how to get enough for urban purposes, and where it should come from.

Next, San Francisco, for so many years presented to the world as America's answer to any other nation's version of civilized, manageable and cultural urban living. Yet earlier this year it passed more than a month of strikes that left the airport quiet and the clocks stopped, garbage in the streets and made public transportation even shakier than before. Such is the ambiance of bay area living that some observers assert nobody has noticed all of this, and the unions accordingly lost. But the issue is real—public employee unions with the capacity to strike and thereby paralyze a city.

And Boston, my city, according to Newsweek, the "livable city", tormented for two years by the agony of a neighborhood town trying to provide a genuine solution to the segregation of its schools. A courageous and able judge—the best, perhaps, on the Federal bench in New England; an intelligent, creative mayor, hoping for national esteem, twenty-one colleges and universities paired with local schools and working at the tasks—and yet the net result of two years was a spring of violence. A black man, Landsmark, beaten in broad daylight, at the steps of city hall, his nose broken by the staff of an American flag wielded by young white ruffians. A white man, Poleet, stoned by a ravaging group of black teenagers as he passed through their neighborhood and now near death. It has been marginally better this fall—a generally peaceful opening of schools, but still fights within a couple of schools, and nights of mob action. The issue is still violence—uncontrolled individual hate and rage, in Boston, the cradle of liberty, the home of the Bicentennial—rock throwing, Saturday night specials, now .38's and soon, sawed-off shotguns.

And it's not just these three cities. We can find their counterparts across the country: Detroit—of which an outraged journalist recently wrote: "It may in a real sense be dead—the first dead large city in the nation;" Philadelphia, with its Bicentennial strike of municipal employees; Louisville, and its violence. But the snapshots, I think you will agree, provide a fair and depressing sample.

What's going on? Why? Let me suggest three possible interpretations, and indicate my preferences.

INTERPRETATION ONE: SHUTTING DOWN GOOD PROGRAMS

My favorite interpretation, of course, and a view that I'm sure won't surprise anyone, is that the Great Society was by and large composed of good programs that—after the understandable confusion and cost of start-up—were beginning to work.

"The New York Times" reported April 19 on the effects of revenue sharing and community development programs in St. Louis, programs that replaced Model Cities, Neighborhood Development, and CAP. The "Times" report documents that federal dollars now flow to the suburbs and to the middle class returning to the city—producing increasingly a battle between the haves and the have-nots.

"The change has come about gradually," reports Paul Delaney. "There's a shift in funding methods and priorities—from the categorical grant concept of the "Great Society" of President Johnson to funding by block grants, and initiative called "New Federalism".

"Under the Johnson administration," Delaney continued, "the aim of national urban policy was to make the cities more livable for both the middle class and the poor and to create neighborhoods integrated both racially and economically.

"The new policy, dealing with a new phenomenon of whites moving back to the city, is helping restore the loss of wealth and tax base that the city had been experiencing for many years. It has also heightened divisions between classes and races," Delaney concludes.

My friends and former colleagues, Bernard Frieden and Marshall Kaplan, have found that special revenue sharing—and particularly that grouping of old categorical programs into community development revenue sharing—has resulted in channelling money into such projects as a tennis complex in an affluent neighborhood, and a convention complex and parking garage.

Professor Frieden, as quoted this week in the Boston *Globe*, comments on the effect of lumping together the old categorical programs such as Model Cities:

"As a Federal aid reform, it has succeeded in simplifying grant applications and given greater flexibility to local communities, but it has bought these merits at the expense of the poor."

He said the early evidence of his study is that "hardware expenditures and public works are back in fashion, while poor people and minorities are out of fashion."

The important thing to recall about the sixties is not that a packet of "Great Society" programs emerged to break a logjam against drastic social reform that had persisted since the New Deal. The important fact is that these programs aborted: In the escalation of the Vietnam war; in the violence of the Democratic Convention in Chicago in 1968; and in the resulting belief of so many Americans, especially the young, that there was no difference between Richard Nixon and Hubert Humphrey in policies, politics, personality or character.

So one interpretation is that the urban policies of a decade ago were never fully tried. Model Cities, 235/236, Neighborhood development, rent supplements were all fairly scheduled and fairly programmed to 1972, at a minimum. The riots of Detroit and Newark in 1967 and the resulting media and public outcry compounded the problems, moving us from prototype (Model Cities) to full-scale production (the 1968 Act). But the response to those who now discount the role of the Federal government and community action, who subscribe to the rhetoric of failure in place of the rhetoric of overpromise, is that the administration of the Great Society was abruptly left in the hands of the true disbelievers.

INTERPRETATION TWO: THE URBAN DAY OF RECKONING

The reply, of course, to those who still believe the programs of the Sixties were a worthwhile undertaking is that the cities "asked for it". Reckless spending, reckless borrowing, welcoming all comers, building hospitals, inviting minorities to go to city colleges, caring for the poor, concern about the handicapped—how silly can you get?

Edward Banfield and Daniel Patrick Moynihan are the chief counsels that justice is done when cities become unlivable. They are the urban disbelievers: my capsule of their views:

> As bad money drives out good, poor children cheapen good schools, poor workers reduce productivity, leniency and understanding beget crime, better housing is misused, public libraries and museums are unappreciated.

Banfield and Moynihan force us to ask whether cities are necessary. One recent analyis suggests the only future of the city may be as a sandbox—left to the dilettante reformer—or as a reservation—a refuge for minorities and the poor as they work themselves up alone. To this analysis, the disbelievers reply that ultimately, generation after generation of Puerto Ricans and blacks will work themselves up to middle-class blessedness and stability will return to urban life. Class, in their view, is the important factor of human development, not ethnic origin or race. Theirs is a clear-cut interpretation: a trickle-up philosophy of city-building.

INTERPRETATION THREE: INDIVIDUALISM AND THE COLLAPSE OF INSTITUTIONALISM

A third, perhaps more fundamental analysis holds that New York City, Boston and San Francisco may be seen as the victims of more pernicious, deadly attacks on the functioning of industrialized high technology and of democratic societies: the collapse of institutions—family, church, and government—the triumph of atomistic, selfish, grasping individualism, the Kingdom of Me, as Emerson put it at the time of DeTocqueville.

On the day after the murder of Martin Luther King, Jr., April 5, 1968, Robert Kennedy talked to the Cleveland Club: He first quoted Lincoln:

> Among free men, there can be no appeal from the ballot to the bullet, and those who take such appeal are sure to lose their cause and pay the costs.

Kennedy went on to say:

> There is another kind of violence, slower but just as deadly, destructive as the shot or the bombs in the night. This is the violence of institutions, indifference, inaction and slow delay. This is the violence that afflicts the poor, that poisons relations between men because their skins have different colors. This is a slow destruction of a child by hunger, and schools without books and homes without heat in the winter.

This, to me, is the most persuasive interpretation. Not the aborting policy, not the limitations of human development, but institution building—more precisely, rebuilding—is the name of the game; the reinvigorating of functioning, effective, efficient human institutions.

PRESCRIPTIONS

If neither noting the nostalgia for the Sixties nor embracing the inhumanities of the last eight years are the answers, what next?

In quick sequence, seven steps:

1. *Nationally, relieve the institutional burden of the federal courts and restore legislative and executive initiative at the Federal and State level.*—The courts handle too much of the public agenda, from schools to housing. Ask more of the legislative branch, for Congress has had a truly poor record since Watergate; in energy, in taxes, in urban policy. The young Turks of 1972 have neither known what they wanted nor were able to achieve what they thought they wanted.

And we should forget Watergate, so far as the office of the President is concerned. This country will not, cannot function without a President. And the evil ways of one isolated President cannot cripple all his successors.

2. *The urban legislative policy requirements are essentially financial.*—Six years ago, Charles Haar, a colleague of Bob Weaver and

mine at HUD, in *The Public Interest* called for Urbank, an urban development bank. With prophecy rare among professors turned administrators, Haar noted the bankruptcy of traditional means of municipal finance. "Its fault", he wrote, "is not that tax exemption now offends public opinion, but that it fails to raise enough money—and, in the nature of things, it cannot." Haar then goes on to document, against the overwhelming needs for housing, community facilities and services, that a financial plan essentially restricted to the 50% tax bracket produces a strained market, with too short maturities and too high cost. So a new math for the city—Urbank—is high on the legislative agenda.

For the next President, the need is to restore, fund and carry out the urban social programs already on the books. For six years Richard Nixon tried to repeal Model Cities. Politically, he could not. So, by impoundment, he starved it. It's time to reassert national goals and national priorities.

For both Congress and President alike, it is time to provide recompense for the disastrous failure in 1972–73 to enact a comprehensive and workable income maintenance program. The absence of a national program twists and distorts State and local priorities across the Nation. It has to be established in the 1970s. So do workable comprehensive programs to deal with the new youth gangs, whether core city or suburb. It's time to reconstruct the CCC—to provide work, opportunities in outdoor, outside surroundings for young people who either can't or won't go on in formal education. What my children call Father's Happy, Wholesome Youth Development Act of 1976 should receive serious attention.

For the States, institution-building suggests an emphasis on education. If Washington is to concentrate on urban financing and income maintenance, the States should try to develop a coherent educational program from nursery school to the Ph. D. In the light of Great Britain's current situation, I hesitate to suggest the slogan "Cradle to Grave". But, it is absurd that education planning and financing is bifurcated between State and locality, elementary and secondary schooling and higher education. The most urgent need is a consistent, clear cut scheduling for young people, with options, and the most obvious governmental level for such undertaking is the State.

3. Build Neighborhoods.—In the central cities, we should restore the emphasis Model Cities and CAPs began; to keep a sense of citizen participation. In the suburbs, we should capitalize on the latest Supreme Court decision, which holds that suburbs must participate in low-income and minority housing projects—particularly if Government actions have contributed to central city segregation. That's an enormously important place of intervention, as Samuel Kaplan has recently observed, and we should capitalize on it.

4. For the cities also, build up city halls.—Increase the capacity to govern, in central cities and suburbs alike, at the working staff level. Bob DiGrazia, Commissioner of the Boston Police Department, made the point for leadership requirements in public safety.

> Mere survival—that's the goal of most of us, and that's one major thing wrong with police leadership. For the most part, we police chiefs have no vision of ourselves beyond that of being survivors with the gold braid. As police chiefs, most of us have allowed ourselves to be the underlining of American Municipal government, somewhat as pet rocks, unwilling to move, grow, change or innovate.

The Police, of course, are at the cutting edge of our capacity to deal with our immediate concern of violence. But mere survival—and unwilingness to change or innovate—is not limited to the police. Budget officers, Finance Departments, Planning Agencies, all need the infusion of young, committed, professional staffs. "Counterpart capability," we called it when we were Feds in the Sixties and had money to spend. Counterpart capacity we will need whatever the future of revenue sharing. The flow of talented, able creative people into city hall is an essential.

5. Be serious about metropolitan Government.—I know first hand as a young political scientist: the agony of the 1950s drive—"Metro Government or Bust." We busted. Today, black suspicion and white fear conspire to stop metropolitan reform.

We need to distinguish between services best performed in a metropolitan context and those susceptible to neighborhood control. We need to solve the delicate political problem of convincing both urban minorities and suburban whites that metropolitanism is in their best interests. We need to consider how best to deliver federal and state aid programs to metropolitan areas rather than to city or county units. But we need, most of all, to realize that there is no possibility of a rational local tax program without a metropolitan structure. And I share Chairman Reuss's distress that "the most successful experiment on this continent in metropolitan management is in Toronto."

6. Revive Civil Rights.—The momentum of the sixties broadened the economic concerns of the New Deal to social and political concerns. Now, we must find ways to restore and continue that momentum. Continuing to upgrade and improve the urban schools is, of course, one item on this agenda, but the schools, like the courts, are now assigned too much of the burden. The genteel persistence of suburban snob zoning and the paralysis of significant housing programs simply must be recognized as vital concerns. Again, fair housing, for all levels of government, is high priority.

7. Begin a Genuine Land Use Policy.—Finally, as some of you heard me say before—we are at the point where public planning for a genuine land-reform is a most essential component of an urban social reform program. Certain levels of density no longer make tolerable private ownership and development. Only a general plan with public land ownership and control being the decisive forces in critical areas can do the job. Otherwise, Charles Abrams' depiction of squatters around the wall will become part of the American scene as well.

The plain fact is that not only the poor American, but the middle American is being priced out of the urban housing market today. Unless we gain control over urban land prices, unless we make sure that the land values created by public investments are returned to the public, we can guarantee mortgages and sponsor technological breakthroughs forever—and still fail to offer most Americans a chance to own homes.

So national policy becomes: national resources for welfare; national resources for debt management; national intervention to curb violence; national support for local institutions, neighborhood, city and metropolitan; national attention to the hulks of older cities, via new land policy.

If these do not come about after the Presidential election of 1976, the somber prediction of Robert Kennedy looms before us. We would come, at last, in our cities:

> To look at our brothers as aliens, men with whom we share a city, but not a community, men bound to us in common dwelling, but not in common effort. We learn only to share a common fear—only a common desire to retreat from each other—only a common impulse to meet disagreement with force. For all this there are no final answers. Yet we know what we must do. It is to achieve true jusitce among our fellow citizens.

Without a national urban social policy, the collapse of the Southwest, the Southern Rim is certain, no less than New York or Boston or San Francisco or Detroit or Louisville.

In every region the issue is the same: How to overcome stalled momentum. How to regain momentum. How to say again—equity among classes and peoples, priority for civility and culture that the central city represents. The restoration of urban togetherness is the business of America—in short, to assure that in urban, not rural surroundings, we become brothers and countrymen once again.

Chapter 5

A MARSHALL PLAN FOR CITIES?

By Norton E. Long

A Marshall Plan for cities has frequently been advocated notably by the late Whitney Young. However, the advocacy has largely been as a catchy slogan symbolizing big federal dollars and seeking to highlight our erstwhile willingness to spend for Europeans' recovery while grudging similar aid to the nation's cities. It is unfortunate that little or no attempt has been made to seek to learn such lessons as our foreign aid experience has to offer for a program of comparable magnitude of domestic municipal aid. Consideration of the Marshall Plan, our most successful foreign aid program, and the reasons for its success and the failures of our foreign aid programs elsewhere than Europe has much to offer those seriously concerned with structuring a federal aid program with any real promise of achieving for this nation's cities what the Marshall Plan did for the nations of Europe.

The first point about the Marshall Plan, a point usually completely neglected by advocates of a so called Marshall Plan for our cities, is that the Marshall Plan was designed to restore the economies of European nations prostrated by the effects of war. The Marshall Plan was a program of investment to replace war ravaged industries. It was not just a program of income redistribution and income maintenance to restore and sustain a standard of public and private consumption. Insofar as it was concerned with maintaining consumption it was only designed to do so till its major investment aspect revived the European nations' economies and restored their self supporting capacity.

No Marshall Plan for cities designed to restore the viability of their local economies and to return them to a state of self support has been envisaged let alone formulated. Indeed there is little or no conception of cities as entities that have an important local economy, an economy that must produce as well as distribute, and redistribute the wealth that permits its public and private consumption. A first lesson from the Marshall Plan then would be that we must conceptualize the economies of cities and ask ourselves why they have become, where they have become, economies inadequate to meet the cities' private and public consumption demand and in some cases genuine requirements.

A second point from the Marshall Plan that is highly relevant for a federal program for cities paying more than lip service to its example is that in the Marshall Plan the individual countries were responsible for making the integrated plans for the recovery of their economies. The individual country economic plans were not dreamed up in Washington though Washington as banker had a say. It is impossible for Washington to make plans that meet the individual requirements of thousands of more or less unique local economies. Given the realities of the pressures at work, the interests of suppliers, unions and other producers of inputs will overshadow and obscure those of the inhabitants of the cities in the functioning of the local economies. Indeed the departmentalized interests of the Washington bureaucracies, their state and local counterparts and the forces that they tend to represent will rarely if ever either cooperate in the formulation of an overall economic plan for the economy of a city or subordinate their particularistic drives in the unlikely event that such an overall plan were to be formulated.

Our experience with plans and planning has been for the most part depressing. To a large degree plan requirements in federal legislation have been productive of expensive busy work, clearance problems and empty ritual. Where some serious purposes were, at least originally, entertained as in HUD's Model Cities' proposal requirements the cities' lack of staff capability to formulate appropriate proposals forced widespread use of consulting firms thus negating HUD's very reasonable assumption that a city whose staff could not formulate a proposal would not be able to carry the proposal out. Despite the seeming wisdom of HUD's position it proved practically impossible to hold it. The lesson of the outcome appears to have been lost on those who need profit from it.

The federal government cannot depend on cities having adequate staff capacity to formulate competent plans for the economic revival of local economies. The failure to utilize revenue sharing funds in a serious way to begin the restoration of cities' economies is an indication of what might well be the fate of larger funds. There has only recently begun to be serious work in urban economics. Conventional municipal finance has remained innocent of any awareness of the relations between the city's fiscal solvency and the state of the city's economy. Cities haven't even begun to keep books on their economies and to recognize that like countries they must pay for their imports with exports and what they cannot pay for either produce themselves or do without. City expenditures are treated as pure merit consumption and not as investments of scarce resources that to some important degree must generate a return if they are to be sustained.

The federal government needs to assist cities in developing appropriate conceptualizations of their local economies that will facilitate the development of competent plans to improve their present functioning by appropriate investment and other measures. It needs as well to assist in the training and supply of staff competent to do this kind of economic analysis. Beyond this it needs, without masterminding, to exert continuous pressure to insure that resources are not dissipated but put to work in furtherance of plans that in its best judgement hold genuine promise of improving the performance of the cities' economies. There needs to be a two way interaction with the city being assisted and pressed to formulate and implement a plan for its economy's recovery and with the city accepting and demanding the responsibility to propose plans that would orchestrate the gamut of federal programs from health to housing to education to manpower to law enforcement and the rest in a coordinated, concerted effort to move the city's economy along desired lines.

Only as federal policy comes to earth in the concrete context of the local community can we measure both its intended and unintended effects in the lives of people. Further the local communities are the socio-economic cells of the larger body politic. It is only as these cells are healthy that the nation can be healthy. We therefore have to look at local communities as functioning social organizations. This is a perspective that is largely ignored by Macro-economics and census data alike. A nation of sick cities is a sick nation. Because cities, local communities, are functioning social systems doing essential sociological and economic work it is essential for our understanding of appropriate policy that we come to grips with our local political economies both as testing grounds of policy effects and as essential building blocks of a sound national political economy.

A third point from Marshall Plan experience that should command our attention is the difference as well as the similarity of the economic problems involved. The economies of our cities at least many of them have been ravaged but not by war and while there is some quite palpable physical devastation for the most part it is not due to the shelling of an organized enemy. Most importantly as we discovered when we extended foreign aid from Europe to the underdeveloped countries, the nations of Europe had economies that had been going concerns and only needed tiding over and physical restoration to return to health. Such unfortunately was not the case with the underdeveloped countries and such is to an important degree not the case with this nation's troubled cities.

Physical devastation by hostile action, though crime, vandalism and riots are far from unimportant, accounts for but a part of the problems besetting city economies. Accordingly, the relatively straight-forward task of tiding over and physical rebuilding that confronted the Marshall Plan in Europe would be quite different and far simpler than that which would provide a realistic and responsible Marshall Plan for our cities. The analogue to the physical devastation suffered by the European economies through war for our cities is the process of disinvestment in industry and residences that manifests itself in empty, blighted, gutted and abandoned factories, office buildings, warehouses, lofts, houses and apartments. The reasons for the disinvestment have to be faced if the process is to be halted and reversed. The single most important explanation for disinvestment is profitability, the bottom line. For a variety of reasons costs in many cities have become far out of line with those prevailing elsewhere. Hence the search for profitability entails disinvestment on the part of existing industry and the failure to attract new investment.

A variety of factors account for the adverse cost differential. Some affect whole regions such as those associated with the loss of manufacturing jobs from the New England region and in general from the North East. Within the region decline has been particularly severe in Connecticut, the Hartford area and with special severity the City of Hartford itself. We know of some of the environmental reasons for high regional costs as, for example, energy. But in addition and of greater importance are cost differentials that cannot be charged to adverse geographic resource factors. Alice Rivlin's study of the fiscal plight of New York City pointed out that a large number of New York's welfare population could have been employed if New York had the kind of jobs available in South Carolina. What the Rivlin study did not discuss was why the jobs that might have employed large numbers of New York's welfare population had relocated to

South Carolina. The study takes this as a fact of nature rather than an evitable and hopefully reversible self-inflicted injury.

It is odd that with the vast migration of Southern blacks and Puerto Ricans to Northern cities there has been little or no recognition that if these low-skilled migrants were to be employed they would need to have available precisely the kinds of low pay jobs we have been busy driving out of the urban economies. We have lived in a kind of dream world both with respect to housing and jobs. We have used slum landlords and substandard employers as conveniently deceptive labels, half-truths to avoid facing the hard truths that except for token exceptions poor people will get the quality housing the market provides and labor with low productivity will suffer the same market assessment. No one except the real estate industry asks how could a landlord make a profit renting standard housing for substandard rents to people with substandard incomes and no one asks how an employer could avoid bankruptcy if he paid high wages to substandard employees. Yet these are the questions that must be honestly faced and answered if we are to do more to solve the economic problems of the city than avoid them with self-serving rhetoric.

There is evidence to support the view that we have been busily engaged in driving out the lower half of the primary labor market, jobs in textiles, the garment industry, foundries, brick kilns and the like. Our policies have tended through welfare to subsidize the secondary labor market and the dual economy as Bennett Harrison and others have maintained. Welfare has acted as a kind of tax making jobs in the lower end of the primary labor market unattractive even though the annual wage they would generate is considerably higher than welfare payments. Driving out the lower half of the primary labor market has resulted in local economies characterized by great gaps between well-paying jobs and other work alternatives. Aerospace and automotive on the one hand and the greasy spoon on the other. This latter alternative, the secondary labor market, is characterized by dead end, casual, intermittent jobs with marginal employers, low profits, little capital and employees with high turnover, weak attachments to the labor market and trapped in the round between welfare, the hustle, and the marginal employment.

The dual economy and the secondary labor market have important social psychological consequences for the individuals trapped in them and the community containing these individuals. As Freud pointed out the job still is the most important single factor integrating the human personality. Where the job provides little or no self-respect or respect of others the debilitating effects on personality are grave, especially where the deficiencies of the job are not compensated for by membership in a strong church or other ego building group. The loss of social control attendant on meaningful participation in the mainstream economy has resulted in neighborhood decay, social disorganization, crime, vandalism, blight, and housing abandonment, all the phenomena associated with the crisis ghetto. A seemingly cancerous process occasions the rapid destruction of sound housing and stores in neighborhoods where those trapped in the secondary labor market and welfare are compelled to live. The inadequacy of their incomes leads to the failure to maintain the properties in which they reside. The constant moves to beat the landlord out of the rent not only force rapid obsolescence on properties, they also undermine any neighborhood attachment and social control and they predict a frequency of school turnover that predicts educational failure.

Frank Kristof has shown how the process of the destruction of sound housing in New York City has outpaced new building. He argues persuasively the case for the perverse and destructive effects of that city's and state's rent control policies on the city's housing stock and its failure to do anything for the poor, its intended beneficiaries. But despite the case for the ill effects of rent control Kristof is forced to admit that other cities unburdened by rent control are suffering a similar loss of sound housing because of spreading social disorganization associated with the crisis ghetto. Accordingly, if we would seek a major engine producing the destruction of our cities' housing capital we will find it in the crisis ghetto. The housing blight and abandonment are only the most visible symptoms of the working of the crisis ghetto. Other visible signs are the adjustment to the crisis ghetto by flight and property abandonment on the part of those having the means to pursue that solution to the problems proximity to the crisis ghetto creates. However, despite the city's obvious deep concern with the loss of those who flee, the most serious concern if the process is to be halted and reversed is with those who are themselves the victims and the agents of the system of social disorganization.

Constitution Plaza in Hartford and Pruitt-Igoe in St. Louis symbolize the brick and mortar approach to the problems of cities and the failure of this approach. HUD and the cities have been far more interested in physical structures than in social structures, in physical capital rather than in social capital. We are only now beginning to recognize that physical capital without the preconditions of social capital is a lifeless thing. Gleaming central business districts surrounded by unemployed, underemployed, crime ridden, drug addicted, festering, spreading slums bear witness to an old truth, cities do not live by brick alone. A Committee of the National Academies of Science and Engineering was asked by Secretary Weaver of HUD to recommend a program of urban, behavioral research to HUD. Even the engineers were emphatic that what HUD needed was to research social structure, that our knowledge of physical structure far exceeded our knowledge of the social conditions necessary for its application. Despite the counsel of the Academies' Committee Secretary Romney's Operation Breakthrough was the major HUD thrust.

To understand the persistent and seemingly perverse concentration on brick and mortar it must be realized that the constellation of unions, construction industry, real estate industry, banks, insurance companies, architects, planners, federal bureaucrats, politicians and media that all have something to gain even from building uneconomic monuments is exceedingly powerful. We have not yet learned to put together an equally powerful coalition for building social structures whose materials rarely provide remotely similar profits and other rewards. Again, our foreign aid experience outside Europe is instructive for our municipal aid program. Foreign aid, Europe apart, frequently led to elite enrichment, black markets, military hardware, inflation and misdirection of resources. A similar sorry result has attended many of our federal domestic aid programs. We in effect have created systems of perverse incentives that have stimulated investment for purposes of tax gimmicks rather than ones that would produce permanent productive jobs and we have coopted indigenous leaders and fostered neighborhood disintegration. In no small way we have fostered municipal inflation and undermined productive local economies even in the name of benevolent intentions toward cities, their poor and the minorities.

The federal government has generated harmfully unrealistic expectations without recognizing its incapacity to fulfill them. As an example the Johnson housing goals, never formally abandoned, would in the judgment of Anthony Downs have required a national effort in housing comparable to waging World War II, an effort that would, if made, have had disastrous effects on other social needs. An April 16 Washington story goes to this effect "The typical family of four requires $15,500 a year to maintain a moderate standard of living the Department of Labor said." The Department of Labor did not comment on how untypical $15,500 a year was or what the nation would have to have in GNP to permit the typical family to have that income. The impression leaps to many an impressionable mind that wages under $15,500 should be regarded as untypical and hence substandard. When labor leaders in St. Louis learned that top companies in the city were paying only $9,000 a year they were aghast. They, the city fathers and the media, had been busily putting the axe to three-fourths of the city's jobs as substandard. Neither they nor the federal government had ever bothered to find out what the actual array of wages was and its frequency distribution. Nor were they in the least concerned with what the businesses they had been driving out of town could afford to pay if they were to meet the competition.

Economist Carolyn Shaw Bell in a piece entitled "Should Every Job Support a Family?" points out that while there are a fair number of jobs that will support a single person above the poverty line there are far fewer that will support a single earner family of four above the poverty line. Strange as it may seem it hurts rather than helps the poor to try to drive out of the city those jobs that will not support the family of four. It is a curious benevolence that limits the options of the poor that presently exist while providing no superior alternatives. Yet such has been the direction of union and liberal policy and of many business conservatives as well. A recent study of incomes in New York City found that the best predictor that a family would be above the poverty line was its multi-earner status. A realistic appreciation of the actual array of wages and what different employers can afford to pay would indicate that a real concern for the welfare of the poor would lead to a strenuous effort to expand available opportunities to earn to all family members including the aged, the young and the handicapped. The practice of the American family farm rather than that of the affluent is a better guide to what will improve the condition of the poor.

Unfortunately, middle-class values which the affluent can afford dominate our thinking about what should be done by those whose circumstances make those values an insupportable luxury and even a disaster. The poor cannot afford to emulate the rich. Idleness can be perhaps becoming in the jet set but similar behavior becomes Edward Banfield's lower-class nightmare if indulged by the poor. And unfortunately in a way he is right both for the poor and the rest of us. The rich can afford individualism, privacy and the indulgence of an anarchical libertarianism in personal life style since they are secure in the highly organized support of that life style by a corporate order. The poor needs must do for themselves by self-help. They can neither afford the luxury of purchased privacy nor purchased security. Despite our official claim that the police and the formal legal order will provide security for the poor and the working class we know this to be a liberal myth. Neighborhoods police themselves. In practice our official policy is to preach social disorganization in the name of liberty and individualism and flight as the only realistic remedy for those who feel threatened and can afford to flee. The liberal who does not blink at the use of union muscle to produce a closed shop shudders and cries fascist at any attempt to produce a closed and physically secure neighborhood. Organizations are good for unions and corporations but powerful territorial organization is anathema to police and civil libertarian alike. Our dominant official liberal ideology denies the necessity of social control and acts to denigrate and undermine it where it exists. Economism substitutes for politics and society dissolves into an ever changing mass of consumer atoms where a normative structure with serious political work to do desperately needs motivated, committed citizens.

For some time we have supposed that we could operate cities without citizens, treating legally entitled, casual voters as if this were a functional equivalent. We are beginning to learn that the normative order on which our cities depended in the past was not the product of their formal governments but of the many informal governments of their ethnic neighborhoods. They provided the social control for the working class and the poor not the Irish cops whose relation to the city resembled nothing so much as that of Mamelukes to Medieval Cairo. These neighborhoods, cooperative social organizations creating an edifice of trust, a normative order, social control and trustworthy leaders are the social capital that constitutes the true analogue to Europe's war ravaged industry and the halting and reversal of the processes leading to their destruction and the provision where possible of viable substitutes are what an effective Marshall Plan for cities should be about. Such a plan would have as a major object the change of our present federally sponsored system of perverse incentives that contributes so largely to the cities' woes. William Skinner, the eminent Stanford anthropologist, showed how the overseas Chinese had maintained their governments within a government and their family structure under the most hostile environments for thousands of years. It is only now with the corrosive impact of current America that the overseas Chinese family is breaking up.

When one has painted the bleak picture of decay and disintegration that afflicts so many American cities, people want to ask for a solution. Who is doing it right? The question has no easy answer, but there are indications of the form an answer will have to take and these indications have concrete living embodiments in neighborhoods and institutions that are resisting and even overcoming social disorganization and recreating renewed local structures. This is the kind of capital a Marshall Plan for cities will have to help build and quite as importantly prevent being subverted and destroyed. In St. Louis now world famed—it has even received recognition in the Soviet Union—Italian Hill and St. Ambrose Church are an excellent example of what Gerald

Suttles calls a defended neighborhood. The Hill is composed of a working class neighborhood of thirty to forty thousand people living in tiny houses on small lots that most any place else would have become a slum. When after visiting St. Louis' other leading attractions, foreign visitors on tour from Johns Hopkins had seen the City's fertility symbol the Arch, its sports palace, Busch Stadium, and Pruitt-Igoe, they were brought to the Hill to see one healthy, hopeful part of the City. Here, despite old houses and low incomes, the houses were well kept up, the streets clean, people helping each other, well brought up kids and, most impressive, safe streets, one of the few places in the city or county where housing values were stable and rising. This is an example of the kind of social capital an urban Marshall Plan would seek to maintain and if possible create. But when the foreign officials on tour asked at a neighborhood party given for them what the city, state and federal governments had done for them, they said, "not a god damned thing." Then recollecting the fact they said, "yes, the federal government, the city and the state had driven a super-highway right through their neighborhood and they had to fight like hell to get Volpe to build a bridge to keep the neighborhood together."

The Hill is often discounted as an imitable example since it is both Italian and Catholic, two factors that are deemed to make it unique. While the Italian Hill may show that a low-income neighborhood in a decaying city may be preserved and even enhanced despite formidable assaults on it, this does not show that such a neighborhood can be created amidst the adverse conditions and of the unpromising material of most city slums. Here the experience of the Muslims and Puerto Rican evangelicals provides ground for hope that even out of conditions of extreme individual and social disorganization an edifice of trust and a normative order can be brought into being. The Muslims in prison conditions that would seem most discouraging have produced remarkable results. Perhaps this seems surprising only because we have forgotten that the early Christian Church was a kind of guerrilla government ministering to slaves, outcasts and even criminals in the rotting structure of the Roman Empire. Clearly the Muslims and the Early Christian Church are a stronger political medicine than the laisses-faire, civil libertarian individualism our Republican and Democratic parties are prepared to administer.

What comes in question is whether the city can halt its present path towards becoming an Indian reservation, a poor house downtown surrounding a C.B.D. protected by barbed wire with a set of suburbanized keepers—cops, school teachers, welfare workers and other municipal bureaucrats, high and low—with anything less than a renewed edifice of trust manned by citizens committed to a vision of what their city might become. Unless the city can have enough such citizens and leaders to lead them, its path toward the reservation is the line of least resistance and greatest gain for those having a vested interest in the pickings our brick and mortar cum welfare politics present. Can a coalition of black, Puerto Rican and ethnic neighborhoods be built to support a city leadership that can master the brick and mortar coalition in the interest of the city's inhabitants? Can such a leadership both program the local vested interests and the feds in a concerted social and economic program to restore a viable local political economy? These questions can only be answered by those who must fashion concrete answers out of the materials and constraints that they face in their cities. What such leaders can do is to show they understand the nature of the job, the form viable answers will have to take and the life-long effort turning their cities around will take. A Marshall Plan for cities will take much more than sunshine patriots. We have learned that the new states of the world require nation building. We have to learn this applies to us as well, our cities and their citizenship require renewing as well as the brick and mortar. This job is not one for the lazy fairies of the economist and it will require city builders whose job is as important as that of the nation builders of the new countries. In fact, the rebuilding of this nation's cities is the rebuilding of the nation though, incredibly, we do not realize it. Until we do a Marshall Plan for cities is likely, however disguised, to come as an act of federal compassion or guilt or worse in intervention and masterminding of an urban Vietnam in our midst rather than the diagnosis of our collective condition and the concerted national effort of a pluralist nation to put its economic, and what's inseparable, its spiritual house in order.

Chapter 6

ECONOMIC GROWTH TO SAVE THE CITY

By James M. Howell

My concern as the Chief Economist of a major bank is with underlying economic conditions, specifically with the creation of economic conditions which will lead to jobs, thereby making some social programs unnecesary but also providing the state and local tax revenues to finance the services that must be delivered.

I will begin with a proposition that may surprise many of you, since it is being put forth by a representative of a large private sector institution: I believe that we should not reduce the level of public services being delivered to the citizens of our older cities despite the fiscal pressures that have accompanied the delivery of these services. Rather, new Federal initiatives must recognize the fundamental need to maintain the quality and quantity of public services at the same, or close to, present levels, for it would be unconscionable to cut deeply into those social programs that we have worked so long to develop.

Nonetheless, the delivery of essential public services must be performed in such a way so as not to push the cost of doing busines more out of line with cities in rapidly growing regions. Unquestionably, governmental services cost money, but they can be financed in such a way as to simultaneously encourage, not thwart, fresh, new private sector investment in our older cities.

Let there be no mistake, then, about the main thrust of my statement today: essential public services—human services—must not be cut back, but without a healthy private sector there will be a far higher level of social need than anyone here this morning wants to see and an inadequate economic base to pay for needed services.

Bayard Rustin, writing recently in *The New York Times Magazine*, emphasized this very theme:

> A healthy rate of economic expansion is a precondition for the success of manpower and service programs that are directed to the special needs of the poor. Without substantial growth, we simply will not have enough jobs for those individuals who have undertaken training programs as a means of overcoming the effects of poor educational opportunities. Nor will Government have the resources to build the housing, supply the medical services, and upgrade the schools in the inner cities.

Mr. Rustin and I are in complete agreement on this point.

As an economist, stressing the correlation between economic growth and programs to help the poor, I realize that my approach is somewhat different than that of many others involved more directly with social services. I am supportive of many of the same goals, albeit by a different path—a sound growth path.

Finding a sound growth path is largely a matter of devising policies that would stimulate the economies of our older cities and the economies of their state governments. But mayors and city managers are increasingly faced with the choice between cutting essential services or raising taxes ever higher, although higher taxes may have a highly detrimental economic impact, especially on private sector investment. A specific and dramatic example will illustrate this point.

On September 16, 1976, the Mayor of Boston announced an increase of $56.20 per thousand in the city's property tax rate—a jump of almost 30 percent. At the same time, he proposed a 1 percent payroll tax, to be levied only on businesses in Boston, to help raise more revenue. This is a timely example of the kind of "fiscal squeeze" which city officials look to the Federal Government to alleviate.

But I want to emphasize that Federal aid to assure the economic health of our cities must be considered in the context of the economic well-being of state governments and the suburban communities which surround our older cities. Over time, economic growth within a metropolitan area moves outward from central cities to suburban "growth poles." Continued growth and vitality in these communities can mean new jobs for central city residents. At the same time, a healthy state government can relieve some of the fiscal burdens on cities.

Admittedly, there is a constant tension among cities, suburbs, and states in the allocation of Federal aid with each seeking a larger share of Federal assistance, and the designers of any Federal aid program must strive to achieve the proper balance. How then can the Federal Government provide special help to the economies of our older cities?

Obviously, a prosperous national economy would help, but it is only part of the answer, since structural problems in our older cities may prevent them from sharing fully in national prosperity. A Marshall Plan for those cities is also not the answer; while it is easy to talk in grandiose terms, a program of that magnitude is at best a long-term goal.

For a more immediate short- to mid-term goal, economic analysis supports devoting more attention to marginal policy adjustments over sweeping policy changes. The Federal Government already shares a substantial portion of its revenues with state and local governments through the Federal grant-in-aid system and adjustments in the grant system offer a realistic and promising means for redirecting substantial funds to our older industrialized cities.

The importance of grants-in-aid to older urban areas is readily apparent from an examination of the magnitude of these programs. In fiscal 1976 Federal grants to state and local governments totaled approximately $60 billion. In 1950 these grants totaled only $2 billion—a thirty-fold increase in less than 30 years. Grants now constitute over one fifth of all Federal domestic outlays. Clearly grant-in-aid programs have been one of the fastest growth sectors of the Federal budget. Since 1965, they have increased at an annual average of 18.3 percent, almost twice the annual growth rate of 11 percent for all Federal outlays during the same period. Federal grants play a key role in state and local budgets, inasmuch as they provide the money for almost one quarter of state and local expenditures.

Implicit in the use of formulas—which govern the allocation of approximately 75 percent of all Federal grant funds—is the goal of "targeting" funds to the areas of greatest need. But the First National Bank of Boston's ongoing analysis of grant programs reveals that many of the grant formulas do not operate to the benefit of our older, financially hard-pressed cities and their state governments, which today are the areas of greatest need.

The 1976 debate over General Revenue Sharing—the largest single grant program—clearly illustrates the possibility for restructuring the grant system to help the cities. The Revenue Sharing program is especially important because it permits Federal funds to take the pressure off state and local tax systems, and Revenue Sharing funds also can be used for infrastructure expenditures to further economic development. An alternative Revenue Sharing formula was proposed, known as the Fascell formula, which placed heavy emphasis on the number of persons defined as living in "poverty" as a principal factor in the distribution of funds. But while the goals of the Fascell formula were laudable—placing Federal funds from this massive program into the areas of greatest need—the apparent results of any such formula in operation were both surprising and disturbing. The proponents relied on a definition of poverty which counted as income amounts received by individuals from public assistance programs, including AFDC and unemployment compensation. Thus, those states which had made a strong commitment to social programming and which also had high unemployment would end up with fewer "poor people" than objective consideration would indicate they had. Because of this inequity, I opposed the Fascell formula, despite the fact that it would have increased the entitlements of many large cities. I believe that the goal of any Federal formula should be to aid all jurisdictions with pressing needs.

The staff of the Bank's Economics Department, after extensive empirical research, issued a paper recommending "cost indexing" as a potential formula factor that might yield a more equitable distribution of Revenue Sharing funds. I was pleased to note that Congressman Reuss has observed that the present system of Federal tax transfer payments "disregards the 10–20 percent higher cost-of-living in the older cities, and thus both short-changes the recipient and further complicates the city's fiscal problems. Indexing tax transfers to equalize the cost-of-living should be explored." Congressman Reuss' remarks clearly show that research directed toward one form of Federal outlays—such as grant programs—can be applied to other forms of Federal outlays—such as transfer payments to individuals.

The theory of cost-indexing is that per capita income figures which are not adjusted to take account of regional variations in costs are misleading indicators upon which to base distribution of funds. Governments in high-cost areas must pay more to provide an equivalent level of services than do those governments in low-cost areas. Moreover, the high costs which individuals must pay decrease the amount of "real" income which is available for state and local taxation.

Recognizing that the technique of cost indexing has not advanced to the point where this approach could be utilized in a distributional formula, we have worked closely with the staff of the Senate Finance Committee which incorporated a provision for the study of cost indexing and other alternative formula factors in the Revenue Sharing legislation that recently passed the Senate. Cost indexing, which should also be applied to other governmental programs, is potentially an important means for "targeting" Federal grant funds more effectively to the areas of greatest need.

Tax effort is another formula factor which merits consideration. Those jurisdictions with heavy tax burdens—older cities and industralized states in particular—may have a pressing need for the fiscal relief which substantial Federal funds can provide. Furthermore, they may well be the jurisdictions with the greatest program needs since the local political process has attempted to satisfy the demand for government services, and has demonstrated a willingness to pay for them through the imposition of taxes. Definitions of need thus must be brought into line with reality.

Let me cite several additional grant programs where the precise formula makes all the difference in their impact on older urban areas. A good example is the Community Development Block Grant program, which will soon come before Congress for reconsideration, and whose funds can be used to stimulate economic development. Needless to say, members of this Committee are very familiar with this program. The Community Development Block Grant program is of considerable significance to urban areas because of its magnitude and because it replaces older categorical grants such as urban renewal. It is also of special importance in this discussion, because like Revenue Sharing, it permits localities wide discretion in using Federal funds, thus easing the burden on those jurisdictions by letting them take advantage of the revenue raising potential of the national government. But, while a greater reliance on the block grant concept should be supported in some cases because it allows for more decentralized financial decision-making, the program's formula ought to undergo careful scrutiny.

Under the discretionary grants, which were replaced by the Community Development Block Grants, many Northeastern cities such as Boston and New Haven did very well. If the Community Development Block Grant formula yielded them less than they were receiving under the previous programs, these cities have been "held harmless" at the same rate for the first three years. Afterwards, they will drop down to the levels of their formula entitlements (phased over a 3-year period). This phasedown will cause New England cities alone to lose about 40 percent of their funds—Boston dropping from $27 million to $12 million, and Springfield dropping from $8.4 million to $2.5 million. The operation of the "hold harmless" phaseout will also mean considerably less funds for other industrialized cities, such as Philadelphia and Pittsburgh. Since this Committee will be reviewing the legislation next year, I strongly urge its members to ensure that this consequence is averted, and to undertake a study of the effects of the program's underlying formula.

An additional formula whose operation and definition must be studied in greater depth is that of Title I of the Elementary and Secondary Education Act (ESEA). This, as you well know, is a large grant program—involving $1.6 billion—aimed at improving educational programs for children in low income areas. It is also an important source of funds for large cities.

The ESEA formula is based primarily on the number of children in poor families, the so-called "Orshanky" index. But the formula was amended in 1974 to limit the number of children from AFDC families which could be counted. This change is generally thought to have hurt the older cities of the Northeast, benefitting the cities of the South and Southwest; in fact, the reason for amending the formula was to prevent the "rich" states with large welfare populations from benefit-ing from this program. A Congressional reexamination of the 1974 change should begin now, long before the program expires on September 30, 1978.

While I have discussed at length formula changes that would direct more funds to our older cities, it is important for policymakers to focus on those grant programs which can make a substantial difference—through their secondary impacts—on the economies of cities and their state governments. Certain programs have greater economic significance, because they can be used for purposes which enhance economic development, for example, capital improvements. Those programs which create the conditions for jobs have important secondary impacts. The income multipliers of transfer payments are not much more than one, meaning that when spent, their secondary impact on the local economy is very small. On the other hand, the multipliers for road building projects or similar capital infrastructure expenses are probably in the range of 3.0 to 3.5, meaning that for every $1 spent there will be an induced secondary effect of another $2 or $2.50 on the local economy. The programs with higher multipliers translate into more jobs, greater tax revenues and ultimately more housing and better schools.

While it would be a mistake for those concerned with the future of our older urban areas to conclude that formula changes in grant programs will somehow "solve" the problems of the cities, these programs are, nonetheless, extremely important. The magnitude of funds involved, their potential impact on economic development and growth, and the ability to bring about changes in the distribution of those funds through alternative formulas confirm their priority in any overall strategy for the cities.

But a program-by-program analysis in formulating a strategy for the cities should not be limited to formula grants. The capital grants from the Urban Mass Transit Administration, for example, appear to have been administered in a manner which recognizes the needs of the older cities. If, in fact, funds under this program are running out, it might be desirable to attach a high priority to an increased authorization, especially given the importance of good transportation to the economic revitalization of central cities in older urban areas. Moreover, apart from a program-by-program analysis, Federal policymakers should begin looking at overall patterns of Federal capital expenditures, regardless of whether they occur under grant programs or direct Federal outlays.

While Federal policymakers must proceed with the important task of devising programs to target Federal funds to the areas of greatest need, state and city governments must face up to their responsibilities by readying themselves to better utilize the funds they receive. For state and city government officials do not generally have the capacity to sensibly apply massive amounts of Federal aid to spur economic development even if such funds were liberally handed to them. Federal money alone cannot solve the fiscal problems of the cities.

I say cities do not use funds to spur economic development while my colleagues on the panel today would undoubtedly argue that cities do not use funds sufficiently to help poor people. But I think all of us would agree that there is an urgent need to increase the fiscal and management capability of our large city and state governments. A dramatic escalation of Federal funds—whether for the provision of services or for capital expenditures—would simply fail to reach into the underlying financial management shortcomings in central city government that are causing a large part of our problem.

The history of the Safe Streets Act helps to illustrate this point. Although the program does not on its surface appear to be related to economic development, high crime rates are a major factor in business decisions to locate outside the central city. Moreover, crime hurts all citizens, especially poor people in the central city. Yet, local spending decisions involving Safe Streets Act funds cast doubt on the ability of recipient governments to use large amounts of Federal funds wisely. For months and even years after the enactment of the Safe Streets Act, there was considerable confusion and uncertainty among local officials over whether the funds should be used for hardware, computerized information systems, or public relations. The program provided billions of dollars to respond to a social need that is particularly acute in central cities, but neither the Federal government nor the recipient governments were prepared for the program—an apparent lesson in the need for improved grantor planning and better grantee absorption capacity.

For this reason, I am glad to see the Department of Housing and Urban Development, the Department of Labor and the Commerce Department are now in the process of jointly funding planning and management grants to 15 cities. While these Community Economic Development Program Grants appear promising, the program should be expanded to cover many more cities. The staff of our Economics Department is working closely with city officials in Boston applying for the grant.

Let me emphasize a fundamental precondition for opening our cities up to business investment once again: our city and state leadership must embark on clearcut economic programming initiatives which will encourage—not stifle—private sector investment decisions. The fiscal and management capacity of our state and city governments can be increased by applying innovative policy management techniques, and, frankly, our state and local leadership must do so to avoid being exposed to the ultimate Federal criticism—the failure to use additional Federal funds to improve their economies. Applications for funding under Title I of the "Public Works Jobs Bill" (S3201) presents an excellent opportunity for state and city officials to demonstrate a better understanding of the correlation between the expenditures of Federal funds for rebuilding the public infrastructure and private sector investment decisions in central cities.

But just as Federal money alone cannot solve the cities' financial problems neither can better management techniques in themselves solve the problem of "absorption capacity." What is needed as well is a realignment of government jurisdictions or another means for rectifying tax inequities and duplications of services in metropolitan areas, however reluctant local elected officials are to face up to this issue. State and local governments, especially in the more industrialized Northwest and Midwest, must face up to the hard choices involved in restructuring metropolitan boundaries. Governmental structures in these regions, still largely reflecting growth patterns of the 19th century, are ill-equipped to solve complex economic problems. Local boundaries simply have not been enlarged to be more functionally compatible with changing economic patterns. Instead, as spatial shifts have brought about new demands for public services, additional units of government have been superimposed on existing ones. The consequences are highly fragmented local governments that are too absorbed in day-to-day fiscal crises to devote sufficient attention to the broader possibilities for economic growth.

A realignment of government jurisdictions would strengthen cities and surrounding communities financially and enable these more efficient local entities to concentrate on repairing and upgrading the existing public infrastructure—roads and highways, mass transit, water and sewage, and other facilities. These investments would improve the quality of services, stabilize taxes by decreasing operation and maintenance costs. and encourage business expansion. Building a strong economic policy capability and restructuring jurisdictional lines are two obvious ways in which state and local government officials can bolster the economic condition of our older urban areas—motivated by the importance of the economic viability of central cities to the financial solvency of their own governments.

Before I describe what I believe to be the key Federal initiatives to revitalize our older cities, I think it is important to put these recommendations in proper perspective.

I began by underscoring the point that new Federal initiatives must recognize the fundamental need to maintain the quality and quantity of public services at the same or close to present levels, but that the delivery of essential services must be performed in such a way so as not to push the cost of doing business more out of line with cities in rapidly growing regions. All of the following initiatives are designed to assure that the future delivery of services will not significantly raise the operational costs to businesses located in older urban areas, thereby disencouraging private sector investment in these cities.

Initiative No. 1.—Develop new Federal programs to improve the fiscal absorption capacity of state and local governments, especially among the large central city governments.

Over the coming decade there will undoubtedly be a number of new Federal programming initiatives to assist America's cities out of their current situation of financial crisis. That the time is propitious to provide this assistance is encouraging, but I believe that most cities—especially those cities that were fully developed before the turn of the century—are poorly equipped to cope with fresh flows of Federal funds. This is not because these funds are uncalled for or unnecessary, but almost entirely because the fiscal absorption capacity of cities is severely limited by existing management inefficiencies. The need for increased fiscal and management capability in large city governments is particularly acute. The charge before all of us is to devise a new Federal program to provide fiscal management grants to large cities, especially those in danger of financial collapse. I believe that the analytical concepts are available which would permit such a program to be triggered before the crisis arrives.

Initiative No. 2.—Lauch additional economic and statistical research into the critical issues of tax effort and cost indexes of Federal grant programs to take into account the higher cost of living in older cities and the more industrialized states, and devise new formula statistics to more effectively target Federal funds to the central cities.

Federal programs must no longer fail to reward those states that have already deliberately set about to provide a wide range of public services to their citizenry. It is, after all, the maintenance of these high-cost public services that is pushing many cities to the edge of fiscal bankruptcy. Moreover, it is the tax increases that are frequently levied by states and cities in order to remain financially solvent that are pushing manufacturing firms from the older industrialized Northeast and the Midwest to the Sunbelt. Yet as matters now stand, many of the current statistical formulas used to distribute Federal funds among states and localities are based on an incredibly inadequate empirical foundation. Inasmuch as grant programs could be used to alleviate the "fiscal squeeze" on cities, I recommend a complete review of all Federal programs whose funds are distributed among the states and localities on the basis of statistical formulas that fail to satisfy, or only weakly fulfill, the legislative intent, and that fail to explicitly take into account the higher cost of living in older urban areas in the pricing out of public services in the marketplace.

Initiative No. 3.—The Federal Government should devise new incentives to support self-assisting programs of governmental reforms, particularly those directed at encouraging the combination of the currently far-too-splintered governmental structures.

In this regard, the Committee might explore the use of bonus points in formulas to reward those states that are moving forward with jurisdictional realignment to achieve greater metropolitan fiscal equity. Past attempts to affect change have had little impact in encouraging localities to restructure their boundaries. It is not coincidental that the regions of the country with the fastest growing cities are those which have taken dramatic steps toward alleviating metropolitan fiscal and boundary disparities.

I have attempted to emphasize that the best way to help people living in older urban areas is to upgrade and expand the public infrastructure already in place in order to stimulate new private sector investment. The dual goal of Federal programs should be (a) to "target" Federal funds more effectively to financially hard-pressed cities, while (b) enabling cities to use Federal funds more productively, especially for economic development. I have discussed today marginal policy changes, multiplier effects, and increased absorption capacity—but all of these terms, which are perhaps more familiar to an economist, translate into an important human dimension: a broadened financial base to provide more jobs and better services for the urban poor.

Federal efforts in the past to revitalize older urban areas have simply not done the job, but this does not mean that Federal efforts cannot succeed. Federal policies, in large part, have been responsible for redistributing wealth from the older developed regions to the newer regions. The challenge for us today is to apply these lessons in reformulating Federal policies to improve the economic well-being and hence the social well-being of the people living in our nation's older urban areas.

Chapter 7

ONE WAY TO RECOVERY: OUT-MIGRATION OF THE POOR AND IN-MIGRATION OF THE AFFLUENT

By Paul R. Porter

It has sometimes been said that American cities present a problem of Herculean dimensions. Few will dispute that truth. However, it is useful to note that the original meaning of Herculean was not simply a mammoth problem, but the fact that the problem was overcome. The thing that endeared the legend of the cleansing of the Augean stables to the Ancient Greeks was that Hercules, by diverting the waters of a river to flow through the stables, substituted an act of bold imagination for just plodding away.

My statement is in the form of responses to questions asked in the invitation to testify. I have taken the liberty of consolidating some questions and rephrasing others, and also altering their sequence. A more complete statement of ideas contained in my response will be found in my book, "The Recovery of American Cities." The questions and my responses follow.

Question 1. What brought our cities to their present distress?

The answer must be that cities are victims of multiple causes of long duration, most of which converged with unusual force in the past three decades.

What are these causes?

First, cities are victims of the way urban settlements grow.

The transition of American society from mainly rural to mainly urban was made by two simultaneous migrations moving in tandem. The first of these was the move to cities by people from the American countryside or by foreign immigrants, themselves predominantly of rural origin. Nearly all were poor, and they were drawn to cities because cities offered a better income than they could expect in the communities they left. They settled where housing was cheapest, usually in the older part of the city.

The second migration—short in distance but important in hopes realized—was outward from the district of first location to newer housing in better neighborhoods continually added at the edge of the expanding settlement. Generally, this migration was made by prospering children of earlier arrivals. As they moved outward in physical location and upward in status, they vacated housing for newer arrivals.

Geographically, an urban settlement grows like the trunk of a tree, in increments at the perimeter. But in the urbanization of people, it grows like an artichoke, with new urban stock forming at the center as older stock pushes outward. The artichoke pattern has been a fateful one for American cities: The rewards of the move-up migration nourished the hopes that motivated the urban-start migration, but cities were disproportionately burdened with the poverty accompanying the latter.

Cities, it must be emphasized, came to have a new meaning during the transition of our society from mainly rural to mainly urban. Once they were the whole of an urban settlement. But, by choice or incapacity, they failed to move their political boundaries outward as rapidly as the urban area expanded. So now, a settlement, if its central city contains 50,000 people or more, is technically known as a metropolis, and if it is a large one, the population of the city at the center is almost always less than that of its suburbs. What this means for the recovery of cities, I will leave until later.

Second, many cities are victims of the poor housing built for the huge wave of immigrants who arrived between the Civil War and World War I.

In this period of our history, most established cities received new arrivals faster than housing was vacated by people moving up in social status. The housing that was built for them was of wretched quality when new. Much of it still stands. Unlike some middle-class housing from the same period, it is not suitable for remodeling. Only the very poor will ever live in it. It is this housing that is being abandoned on a major scale in many cities as better housing becomes available in outer districts.

While these obsolete residential districts remain, they will be a major obstacle to a city's recovery.

Third, cities are victims of a recent high birth rate.

Even without the migration from the countryside and abroad, the natural increase in population—the excess of births over deaths—was strong enough to create new and baffling problems for cities.

The big surge in births from the end of World War II until the late sixties resulted in a lopsided proportion of beginners in the labor force just as blue-collar jobs in cities sharply decreased.

Although there is no simple explanation for the big increase in crime, the big increase in youth unemployment, especially concentrated in inner cities, and the barrenness of opportunity which it causes, is almost certainly a major factor.

Fourth, cities are victims of the rapid mechanization of agriculture.

In 1920, among 10,000 typical Americans, 985 were engaged in farming. In 1950, there were 473. Twenty years later the number had fallen to 170. Millions of poor, ex-farm hands poured into cities as they were rendered surplus on the land, swelling the demand for social services.

Fifth, cities are victims of prosperity.

This conclusion sounds like a theme from the theater of the absurd, but it is true. From the end of World War II until recently, the nation experienced its longest and strongest period of prosperity. Cities experienced their worst decline. There is a direct link between the two events. Rising incomes enabled millions who had been reared in cities to move to suburbs.

It is also true that cities are hit hard by a recession. But for cities unable to compete with their suburbs as a place of residence, the prosperity of the nation was a wasting illness that left them vulnerable to other ills borne by a recession—in particular, a contraction of revenues.

Sixth, cities are victims of evolutionary changes in the nature of metropolises.

If we look back three decades, it is easy to see that a major decentralization has taken place in the structure of the metropolis.

Within the context of rapid growth of metropolitan population, new residential districts at the perimeter were spread more thinly over the land than ever before—so much so that in this time urban land per capita was approximately doubled. At first, the new suburbs were almost wholly residential. "Bedroom communities," they were called for a while. But as they grew, their population reached enough of a critical mass to exert a gravitational pull on shops and jobs.

Retail trade was decentralized from the hub to suburban shopping centers. The shopping centers themselves underwent a swift evolution—from the early rows of shops facing a parking apron to the great enclosed malls surrounded by a parking moat.

Jobs, too, moved outward. Nearly all big cities lost factories to some outer suburbs and beyond, while new secondary office centers rose in other suburbs. In the past three decades, the relocation of urban workplaces was greater in volume and more profound in its effect on the structure of urban settlements than at any time since railroads concentrated factories in then fast-growing cities. It is true that the central business district of most large cities also expanded, sometimes spectacularly. White-collar jobs grew rapidly in these years, supporting new office construction both at the hub and in the new centers. Future net growth in occupied office space, it seems likely, will take place mostly in the outlying centers.

Rising incomes and the net effect of the technologies that made the metropolis possible—steel-frame construction and electric elevators, central generation of electric power, the telephone, electric-driven transportation and the automobile—also favor its decentralization. So does the newer technology of computers. The trend will surely continue.

Seventh, cities are victims of a poverty of conceptual and strategic thinking about their evolution and their future place in American society.

"The reality has outrun the scholarly apparatus," a distinguished urban scholar has written. His comment was specifically directed to a widespread abandonment of housing in inner cities, but it applies with equal force to the decline of cities within the evolving metropolis.

If scholars have lagged in their understanding of what happened to cities, so have the rest of us also. We have lagged, I think, not because the events are beyond our comprehension, but because we have neglected to see them in their relationship to each other in a pattern shaped by our national history.

Lacking an adequate large view of what was happening—a historical perspective, an intellectual framework to which a multiplicity of changes could be plausibly related—we have been without the most important element of a strategy for realistic adapation. Instead, we have accumulated several hundred poorly-related programs that respond to individual symptoms rather than to basic causes.

Senator Muskie has described one of the consequences of our weakness in strategic thinking. In a speech in December 1975 to the National

League of Cities, he related that 186 different federal programs for community development were in the hands of 21 federal agencies. He added: "We got into this quite innocently as we tried to respond to problems on a piecemeal basis, but the result is an administrative monster."

I have cited seven causes of the plight of our cities. They do not exhaust the list, but I think that together they tell us most of what we need to know in order to develop policies of recovery. I have not included poor management by local governments among the basic causes, although in some cities it has undeniably aggravated a city's troubles. The reason for the omission is that even under the most skillful management that we can imagine, cities still would have been damaged by social forces that are national in scope and are largely beyond the powers of local governments to control by themselves.

Question 2. What consequences for cities may be expected now that the long transition of American society from mainly rural to mainly urban appears to be nearly completed?

If our thinking about the growth of urban settlements had taken a more reflective bent, it would have been obvious that the transition could not go on forever. We could then have been better prepared for what is now happening.

In my book I have advanced the thesis that the transition is close to being a thing of the past. The most visible evidence is the big falloff in migration from the countryside. The number of immigrants, including illegal ones, is well below the past flow from our rural areas. It is also evident that the reservoir of people who remain on farms or in small towns is not large enough to sustain another big movement to cities.

The transition from rural to urban began in colonial times and, as much as any influence except our basic principles of government, it dominated our first two centuries as a nation. The late Samuel Eliot Morison held it to be as important in its effect on the national character as the westward migration. Clearly, its completion or near-completion is an event of profound importance. Many things that we have taken for granted must now be reconsidered in the light of a radically new situation that is suddenly upon us.

The new situation, in my view, holds two principal meanings for cities.

The first is that almost all big cities, including such formerly fast-growth cities as Dallas and Los Angeles, are now losing population—some at a very high rate. Between 1970 and 1973, the latest year for which census estimates are available, Minneapolis lost one out of eight residents. St. Louis and Cleveland lost one of ten; Atlanta one of eleven; Forth Worth and Detroit one of twelve. That is the record in just three years.

The city population losses reflect the circumstance that the historic urban-start migration is now, in large degree, a spent force, while the equally historic move-up migration continues, even in economic recession. Further population losses must be expected.

Population losses shrink a city's tax base. Thus, the immediate effect of the new situation—especially when a recession at the same time reduces the ability of many city residents to pay their taxes—is to weaken still more the financial condition of cities. In turn, higher tax rates and reduced services may cause more people to leave, still further eroding the tax base. A downward spiral is thus put in motion.

The second meaning of the new situation carries a strong message of hope. Despite the immediate hazards that we have just noted, the new situation actually favors the recovery of cities—provided that we seize the opportunity.

The population losses that cities are experiencing are also a boon. They make it easier for cities to rebuild decaying slum districts into neighborhoods that can effectively compete with the strongest suburbs as a place of residence for people who work in cities.

The population losses are heaviest in those inner city districts that contain the worst housing. Between 1960 and 1970 the population of the inner cities of St. Louis and Detroit—to take some extreme cases—fell by 35 percent. In those numerous census tracts in Baltimore where the average rent in 1970 was $75 a month or less, the population was a quarter less that year than it had been 10 years earlier, even though the population of the city as a whole fell by only 3 percent.

When housing was in acute short supply, when there was a powerful stream of new arrivals, and when many factory jobs were near at hand, it made sense to reserve most inner city residential land for people of low income. Cities really had no other choice. In the new situation that policy is obsolete. The sensible policy now should be to build homes here for people who work nearby. In that opportunity is to be found a solid hope for the recovery of cities.

Question 3. What is meant by the recovery of cities?

Stated most briefly, recovery will consist of a regained ability by cities to compete with their strongest suburbs as a place of residence, and a regained ability to meet their needs from revenues of local origin—a freedom from financial dependency.

Note that I speak of regained capabilities—not a restoration of physical conditions and styles that belong to another era. That attempt would be futile. But a renewed vitality, a new springtime, based on recovered capabilities, is a practical alternative to an indefinite subsidy of cities by the rest of the nation.

Question 4. What are the policies essential to recovery?

I will state the policies first in summary form. Then I will present them more fully in response to subsidiary questions. I think four basic policies are necessary.

The first policy is: Decayed and obsolete inner city districts should be transformed into neighborhoods attractive enough to compete with suburbs, especially for people who work in the central business district and other nearby places.

The second policy is: Adequate opportunities for self-reliance should be created by means of an expansive national economy and by a specific effort to sustain and expedite the historic move-up migration of the city's poor away from the inner city. In particular, they should be assisted to obtain suitable housing and nearby work opportunities outside large cities.

The third policy is: The federal government should adopt a neutral stance toward decentralization of functions in the metropolis, thereby ending its tilt toward an increase in costly congestion at the hub.

The fourth policy is: Federal aid to cities should be made conditional upon effective action by them to overcome their need for aid as early as may be practical.

Question 5. Why is it important that cities should be able to compete more widely with their suburbs as a place where people prefer to live, and how can that aim be achieved?

A regained competitiveness that will attract and hold people who work in the city is essential if cities are to strengthen their tax base enough to provide the services that residents require and to stabilize or reduce municipal tax rates, thereby arresting the deadly downward spiral in which population losses and financial stringencies each stimulate the other.

A regained competitiveness would shorten many journeys to work, thereby conserving energy and permitting capital now wastefully claimed by excessive transportation to be invested for more productive purposes. It would preserve from further dissipation the strong assets that cities still have. In time, it would enable cities to meet their needs from revenues of local origin (subject to some changes in federal tax policy), thereby freeing them from the uncertainties and constraints inherent in financial dependency.

A regained residential competitiveness would be consistent with the most advantageous use of the strengths that cities still possess. It would represent a realistic adaptation to the powerful social forces that have governed the evolution of the metropolis and its central city, and thereby bring human intelligence, more effectively than before, to bear upon the evolution of cities.

I wish to emphasize the importance of utilizing for a city's recovery the strengths it yet has. In our preoccupation with the weaknesses of cities, we have tended to undervalue them.

Despite losses of jobs to suburbs, most jobs in the metropolis are still in the city—especially in the towering job stacks massed in the central business district. Large cities have declined as manufacturing centers, and, for reasons that will be given later, will surely continue to do so. They retain, however, a suitability for the efficient performance of most white-collar work, which, unlike most blue-collar work, can be arranged in layers in high-rise buildings, thereby requiring a minimal use of land. This basic difference in the present-day land requirements of white-collar and blue-collar work—a difference that grows greater—is of critical importance in the adaptation that cities must make.

In the city, buildings that are still durable and often beautiful house places of worship, museums, theaters, concert halls, and libraries. The city is unrivalled in cultural institutions. Accessible parks abound in most cities.

Beneath the streets are great networks of water lines, sewer lines, and electrical and telephone conduits.

All these are valuable assets in place—the vertical concentration of well-paying jobs at the hub, superior amenities, and a paid-for infrastructure. The city's decline erodes them, but they are still available for the city's recovery.

A potential asset is land of rapidly diminishing use which lies close to the concentration of jobs and to many of the cultural institutions. It is the land now occupied by slum housing that is being abandoned, by failing industrial and warehouse districts, and often by surplus railway trackage. It is potentially the most valuable residential real estate in the whole metropolis.

A transformation of this land into neighborhoods competing with the strongest suburbs will allow the potential asset and the existing assets to be brought into a logical unity in which each supports the other.

Question 6. Will the transformation of obsolete inner city districts into high-income neighborhoods cause hardships for the people who still live in them?

It need not. The obsolete districts of which I speak are collapsing as neighborhoods. Even to call them neighborhoods is to be outrun by reality. It is to impute to them a stability they have already lost. I refer to districts that are pockmarked with boarded-up structures, with others that have been heavily vandalized, and with open spaces where abandoned houses and apartment buildings once stood. Most residents who remain will leave when they can.

Their opportunity to leave for better housing will improve. The better housing in relatively stable neighborhoods will become more plentiful as total city population continues to decline. A typical analysis of the age composition of the population in many census tracts which have a high proportion of owner-occupied homes and are located in the middle and outer city shows many of them to be occupied in large degree by elderly persons. As these homes come on the market not too distantly they will aid the move-up migration.

The potential for some hardships will exist, but since the likely relocations will be minor rather than massive it should be practical to provide relocation assistance that will avert real hardship.

Question 7. Is it intended that the redevelopment districts would be entirely new or exclusively for high-income residents

The answer is no to both parts of the question.

Where existing housing can be rehabilitated at less cost than new housing could be constructed and can also meet the test of long-term competitiveness with suburban housing, then rehabilitation would be desirable. Some such housing may be found in any inner city. But it is unrealistic to suppose that it can provide more than a very small part of the housing needed for a city's recovery.

The housing to be newly built or rehabilitated should meet the effective demand of anyone employed nearby. People employed nearby include, of course, low-paid service workers as well as the whole spectrum of white-collar employees. It should be clear, however, that the redeveloped districts, if they are to be competitive, would contain mostly high-income housing .

Question 8. Besides the construction of good-quality housing, what else must be done to convert obsolete inner city districts into neighborhoods that will compete with suburbs?

I suggest five things.

First, any particular redevelopment must have a scale and a backing sufficient to ensure confidence in its success. From the opening of its first units, it must be large enough—and, of course, appealing enough—to offset the blight in which it begins. Also, since the overall reconstruction can be accomplished only in stages extending over a period of years—that is, in a series of redevelopment projects—the master plan established by the city government should be comprehensive enough to envisage the final stage, yet flexible enough to permit that stage to be reached by whatever routes serve the purpose.

In this perspective, I have mixed reactions to the "town-in-town" concept. It has the advantage of conveying an appealing image—a new development that will invoke the community values of a town, along with a town's conveniences and amenities. All of this is desirable. My misgivings arise from a risk of rigidity in planning that may impose a design too big for a single developer to undertake successfully. The reconstruction of the nation's inner cities must allow for the business success of hundreds of developers, not just an opening for a few dozen very big ones. Until a better name may be found, "town-in-town" will do as a description, provided that we bear in mind that before a city's recovery is accomplished, the number of such redevelopments in that city will range from several to perhaps a score, and each itself will consist of separately-developed compatible projects.

Second, the redevelopment projects must have a physical character that is favorable to the early emergence of a natural sense of neighborhood. The design should enable residents to know each other, to share a variety of common interests, and to feel that they belong in the community where they live.

The design of new city neighborhoods that can compete with suburbs cannot, of course, be a replica of a suburban setting. Neither can it be a replica of a city's past era. Within the space available, the design should create an esthetically pleasing setting for a neighborhood that will be family-oriented, protected from through-traffic, and either close to or relatively self-contained in shops and services most frequently patronized. We need not suppose that the architectural competence to produce such designs lies only in the future. In recent years we have come a long way from the austere slabness of the so-called functional or Bauhaus school and from such blind alleys as Le Corbusier's fancy as a young man that a home should be a "machine to live in." The imagination and ingenuity expressed in some of the suburban shopping malls and in such new commercial complexes as Crown Center in Kansas City and Renaissance Center in Detroit can be adapted also to the design of new neighborhoods in the city.

Third, conditions favorable to home ownership should be strengthened as a means of promoting the stability of the new neighborhoods. Realistically, we should not anticipate a large-scale return to the city by suburban families with children already in school. The primary market for housing in the new city neighborhoods will probably be found among young families. They are the people who predominate among the buyers of once-fashionable city homes that can be restored, thereby identifying a demand that would become more evident if the supply of good housing were increased. Considering the high volume of family formation to be expected in the next two decades, as projected by demographic data, young families will constitute a major market for housing.

Today's excessive interest rates must come down to a much lower level if new families are to be able to assume the risks of home ownership. It is therefore correct to say that a reduction in interest rates is in a very specific way one of the essential elements in the recovery of cities.

In the perspective that a high proportion of the new housing units must be in multi-unit structures, the growth of the condominium mode of home ownership is a fortunate development. The development will be still more desirable if condominiums lead to cooperatives, which through their common ownership of common facilities inevitably lead to a greater sense of neighborhood. In New York City, in particular, housing cooperatives have had achievements that deserve to be better known.

Fourth, city schools must become as good as suburban schools. For this to be achieved, city schools will need for some time to come a higher ratio of teachers to pupils than is needed in the suburbs, in order to reduce the disadvantages of children who come from homes indifferent to learning. It is taken for granted that cities require a higher ratio of police officers per capita than suburbs do. For example, on a per capita basis, Baltimore in 1970 had three and a half times as many police employees as did its suburbs. I do not suggest a ratio of teachers anywhere near this magnitude, but a higher ratio than now prevails is needed if cities are to compete with suburbs as a place to live. It should be noted that the big public investment in teacher training has already been made. Because of the sharp decline in births, there are this year fewer children of pre-school age than in 1950, and almost everywhere surplus teachers are being dismissed or soon will be. The nation has a larger asset in the teaching profession than can be fully used, but at least some part of the surplus should be used to support the recovery of cities.

Fifth, the high crime rate must be reduced. One essential element in reducing it will be to curb the apprenticeship in crime which is so widespread among inner city youth. How this objective may be integrated into a recovery program for cities will be discussed in response to another question.

Question 9. Why is it important that many of the city's poor should be enabled to resettle outside cities, and how can this aim be achieved?

They need to resettle if they are to become self-reliant.

There are not enough jobs that they can fill within their effective travel range. Even in the circumstance of a high level of employment in the national economy, corresponding to what is commonly known as full employment, many inner city residents will be unable to find steady work while they remain in the inner city.

The hard-core of residual unemployment that they experience is technically known as structural unemployment. It prevails in two varieties.

One, which is geographic in nature, results from the relocation of factories from cities and inner suburbs to outer suburbs and outside the metropolitan area altogether. A prudent assessment of this trend indicates that its continuance will outweigh any effort to counteract it, and that factory jobs in cities will continue to decline.

The second variety consists of a surplus of beginners in the labor market. Borrowing from the technical language of economists, I have called it a demographic variety of structural unemployment, although because of its novelty it is seldom identified as having a specific existence. It results, of course, from the abnormally high birth rate that prevailed from the end of World War II until the late sixties. Because of the sharp fall in the birth rate since then, the lopsided proportion of beginners will disappear in about a decade and a half.

Although the prevalence of a high volume of youth unemployment is well known and frequently commented upon, professional economists, so far as I can discover, have been strangely casual in analyzing its causes and potential remedies. For this reason it is commonly assumed that these "manpower units"—as it is customary to treat them—can be fully absorbed into an expansive labor market once they have received vocational training. The assumption is not realistic.

As members of the Committee will readily recognize in reflecting upon the organization of their own office, it is not practical to absorb more than a certain proportion of beginners without disrupting the work of others. The same situation will be found in most offices and factories or in any other job structure corresponding to a division of labor based upon experience and skills. Some elasticity does exist, but it is not enough to provide jobs for all of the still-swelling ranks of youth who reach an employable age.

Private employers cannot be fairly blamed for not hiring more beginners than they need. This being so, it is to be hoped that they will support a sound alternative for getting surplus beginners off the streets and into a channel that will introduce them to the discipline of useful work and prepare them for good citizenship and absorption into private employment as early as practical.

To this end, I have proposed a Youth Opportunity Corps to be sponsored by the federal government. I will elaborate upon it shortly.

The proposed Corps could become a singularly suitable agency to enable heavily disadvantaged inner city residents to resettle outside cities for work opportunities that now elude them. I do not visualize it as the only instrument of resettlement for those who may wish to relocate, but I think it would probably be the principal one.

Question 10. Why cannot enough factories be brought back to cities to overcome the problem of structural unemployment?

Given incentives strong enough, some factories could be attracted to cities, occupying either vacated industrial buildings or new buildings in industrial parks to be created. However, cities that have tried to do this have not had impressive results.

There are many reasons why factories leave big cities, but most of them may be summed up as one: a need to relocate in order to remain competitive. Multi-story factories are today less efficient for most kinds of manufacturing than factories in which the flow of materials may be organized on a single level. Many manufacturing technologies require an increasing amount of space per worker. City land is too expensive. Anyway, growing companies have trouble finding space in the city for expansion. City congestion adds to transportation costs. The new interstate highways draw outward many factories that rely mainly on road transport. Tax rates in suburbs are lower, but are significant mostly in their effect on more space.

For more than a decade the Minneapolis Industrial Development Commission has struggled diligently to stem the outflow of factories and to attract others, but with slim results. A few years ago the Commission asked 135 industrial companies why they had quit the city for a suburban location ("A Study of Industrial Migration from Minneapolis: 1962–1970"). The study was comprehensive enough to permit a conversion of property taxes before and after relocation into a labor-hour cost, which I did. Before relocating the companies occupied an average of 700 square feet of space per worker, for which they paid average property taxes equal to seven cents for each labor-hour. After relocating they occupied an average of 4,700 square feet per worker, including space for employee parking, for which they paid average property taxes equal to 22 cents per labor-hour.

The fact that these companies could afford 15 cents more per hour in property taxes, because of production economies achieved with more space, gives a striking illustration of the disadvantages of a city location. Even if a city waived all property taxes, such incentive might not be enough.

A city also faces this dilemma: If it gives financial incentives to factories that newly locate in the city, can it logically refuse them to factories that will otherwise leave? Indeed, where can a line be drawn?

The response of cities to the departure of factories need not be a simple "either or" approach. Nonetheless, both experience and logical analysis indicate that the most realistic adaptation to a basic evolutionary change in the nature of cities will be to help consistently unemployed city residents to follow the jobs. In some cases, this will mean resettling outside large metropolises altogether. Virtually all large metropolises, as well as their central cities, have lost manufacturing to smaller communities. That this trend will continue seems likely.

Question 11. What would be the functions of a Youth Opportunity Corps?

The purpose of the Corps should be to get surplus beginners living in an inner city off the streets, away from an apprenticeship in crime, and employed transitionally in useful public service that would otherwise remain unperformed; to provide, as this is being done, that they become practiced in good work habits, trained for a future job in the private economy, nourished in ambition, and imbued with civic values that they may have missed at home or in school; and in due course to place all who qualify by aptitude, training, and conduct in a job somewhere that holds the prospect of enduring self-reliance. In a vigorous economy it should become normal practice that all who have served in the Corps and have met minimum standards for certification would be placed in a job.

The Corps would be distinguished from other youth assistance programs in two fundamental respects. First, it would provide a single ladder of self-improvement, from recruitment to job placement. Second, it would embrace work experience, vocational training and character development as inter-related purposes.

The Corps should co-opt, and not displace, the constructive activities already performed by private organizations, such as the apprenticeship training programs of trade unions and the job-placement work of the National Alliance of Businessmen.

The Corps is not intended to be a permanent agency. It should be dissolved when the temporary problem of a lopsided proportion of beginners in the labor market fades away.

Question 12. Why are both a high level of employment and minimal inflation important to the full recovery of cities?

Progress toward recovery could be made even in the unsatisfactory conditions that prevail today. But before the process can be completed an enduring high volume of private-sector jobs will be needed so that the concentration of hard-core structural unemployment endemic to big cities may be drawn off and absorbed in communities where blue-collar job growth is strongest.

An interest rate that is modest and steady, such as is associated with little or no inflation, is needed to sustain a high volume of housing construction which cities will require for their recovery.

The contemporary doctrine that unemployment and inflation are fated to ride a see-saw is not consistently supported by historical evidence. The doctrine is especially difficult to maintain after the recent rise of both unemployment and inflation to high levels together.

Defenders of the see-saw doctrine are obliged to contend, when technical language is reduced to common speech, that a steady value for the dollar can be achieved only by a Government-imposed denial of self-reliance to several million workers. "Spread the dole to save the dollar." This is the counsel of defeat.

Question 13. Would a significant number of the cities' poor be willing to resettle in other communities for better opportunity, and would they be able to resettle without significant resistance from established residents of such communities?

It is reasonable to believe that a willingness to resettle will depend primarily upon the age of the potential resettlers, and how attractive the opportunities in another community appear to be.

Young people have fewer roots in a neighborhood or a city than their elders. It is their nature to be adventuresome. Disadvantaged inner city youth no more lack a spirit of adventure, of testing their luck in another place, than do other young people. What they lack is the opportunity.

The resettlement policy that I propose therefore has three main elements: First, it would be directed primarily to young people in inner cities who, as we have seen, have the least reason of anyone to remain where they are. Second, it would be linked to a larger policy of creating enough jobs in the nation to go around. Third, young people who may wish to resettle would be enabled to qualify, by means of service in the Youth Opportunity Corps, for the better opportunities to be found outside cities.

Encouragement to resettle would not be limited to young people. However, people who already have families will generally be less disposed to relocate, especially if a vigorous national economy improves job prospects near at home by minimizing unemployment of a fluctuating kind. Moreover, a substantial relocation of beginners would reduce competition for the blue-collar jobs that remain in cities.

To keep the matter of resettlement in perspective, it should be borne in mind that many inner city youth qualify for and obtain white-collar jobs in the city, despite the handicaps encountered in many city schools. Also, some blue-collar jobs in the city become available from attrition.

In the communities where the resettlement would take place, resistance from some established residents may be anticipated. However, it would be a mistake to exaggerate the difficulties to be overcome. The new arrivals would come with jobs in hand, not as welfare dependents adding to the local tax burden. In a vigorous economy, they would not be competitors for scarce jobs, but an addition to local payrolls and to the income spent in the community.

The progress made in recent years in reducing racial discrimination may be expected to make the acceptance of blacks among the newcomers much easier than would have been the case even a decade ago. Potential local opposition could be minimized—and in today's racial climate probably wholly overcome—by a well-concerted civic effort, including support from trade unions and the employers of the newcomers. Civic efforts of this kind have been effective in facilitating acceptance of Vietnamese and other foreign refugees, even when they came as competitors for jobs during a recession.

Question 14. What changes in national housing policy should be made to encourage the complementary resettlements that have been proposed?

Answer. Throughout four decades of a national housing policy, three primary purposes have been intertwined. They are: To increase and improve the nation's supply of housing, to remove unfit housing, and to subsidize the cost of housing for people otherwise unable to afford decent housing.

The same purposes are still needed, but in the new situation we face they should be rearranged in a new combination. The new combination should have these characteristics:

First, slum clearance should be undertaken on a far larger scale than in the past—large enough to result in the removal of all unfit housing and other obsolete structures in two decades or less. This seems to be a realistic goal when we take into account the slowdown in population growth, the sharp fall-off in the demand for housing in inner cities, and—despite the recent doldrums in housing construction—a truly remarkable increase in new housing since the end of World War II. In 1970, one out of three year-round homes had been built in the preceding 20 years. Also, at least a dozen European cities required less to rebuild areas devastated in World War II that were proportionately greater in magnitude.

Second, slum clearance should be divorced from the use of subsidies to construct new housing on the cleared sites. The new housing needed in these locations is predominantly high-income housing. A subsidy for the new residents would not be justified.

Third, subsidy methods should be flexible enough to meet a variety of needs, including a stimulus to resettlement. A doctrinaire commitment to a single method, as HUD has sought to impose, should be avoided. Housing for the elderly represents one kind of a need; resettlement another. Temporary cash assistance may frequently be the simplest method to support resettlement for better opportunity. If there is not enough suitable housing near the relocated factories, which is frequently the case, a city should be empowered to contract with a developer to construct such housing and to give necessary assistance to relocated city residents until their new employment enables them to become self-supporting.

Fourth, most housing subsidies for able-bodied persons of working age should eventually become unnecessary in an economy characterized by full employment and low commercial interest rates consistent with little or no inflation.

Question 15. Why is it important that the federal government should adopt a neutral role with respect to the decentralization of metropolises?

The evolutionary change in the structure of large metropolises represented by a major decentralization of residence, trade and employment is, on balance, a desirable development. The decentralization means more spaciousness for living, more moderate land costs, and the potential of shorter journeys to work.

The decentralization need not be harmful to cities—not if they make the realistic adaptation to evolutionary change contemplated in a recovery goal.

However, a stubborn resistance to the needed adaptation—a clinging to a traditionalist but outmoded concept of the nature of cities—can only make the problems of cities still worse. While their population drains away, most big cities, with the financial encouragement of the federal government, pursue plans to bring more commuters into the central business district. They thereby stake their future on increased congestion. More congestion will be self-defeating because it will enhance the attractiveness of the new competitive office work centers in suburbs.

The strengthened tax base that cities urgently need should be sought not in more congestion but in turning commuters into city residents.

Question 16. What changes in urban transportation policy would be appropriate to the continuing decentralization of metropolises and to the recovery of cities?

A part of the solution to the vexatious problem of travel in urban areas—indeed, a large part—is simply less travel.

The average distance between home and job has become too long, and of all alternatives that can be imagined for making the journey faster, more comfortable, less expensive, less demanding in its claim on new capital, less wasteful of imported energy, less damaging to the environment, and less divisive as a political issue, none goes to the heart of the matter so surely as shortening the journey.

Throughout the whole era of post-horse transportation, the only public policy in response to the unremiting growth in per capita demand for transportation has been to increase the supply. No more than two decades ago the conventional wisdom called for more freeways to the hub. The new conventional wisdom, no less certain of its rightness, calls for more mass transit to the hub, especially rapid rail transit.

It is time to invoke a third alternative: a reduction in per capita demand. The patterns of land use which public policy should promote in urban areas—the congested ones, especially—should be *travel-reducing* patterns.

Such would be the pattern of land use promoted by enabling cities to compete with their suburbs as a place of residence. Similarly, the gravitational pull by residential suburbs drawing an increasing number of white-collar jobs to suburban office-work centers also serves to shorten journeys to work.

The present transportation policy promoted by the federal government through its subsidies and studies is almost wholly oriented toward traditional radial patterns of traffic—that is, to bringing more commuters to a congested hub. The newer web patterns of traffic created by decentralization and that overlay the older radial patterns are ignored or resisted in the plans for mass transit fostered by the federal government.Especially is this true in the costly ventures in rapid rail transit, which have a cost per mile equal to the construction cost of about 2,000 medium-income new homes.

The multi-center metropolis that is evolving is the best answer to an excessive demand for transportation, the pollution it causes, the financial burden it entails, and the growing domestic discord caused by the cost of transportation subsidies and their unequal benefit.

Question 17. Why is it important that federal aid to cities should be made conditional upon effective action by them to overcome their need for aid as early as may be practical, and how can this aim be achieved?

No responsible person argues that the federal subsidies now given to cities can be stopped under present conditions. The debates about aid concern the amounts to be given and the methods of giving.

The debates are confined to this groove. The present pattern of federal aid carries no requirement or incentive to cause cities to become independent of outside aid. No law speaks of an end to their dependency as a goal. The pattern reflects an implicit assumption that cities must be subsidized permanently.

By a subsidy of cities, I mean a transfer of economic resources to them from the rest of the nation that cities have not earned and are not expected to repay.

Only a part of the federal payments that cities and other localities receive may properly be described as subsidies. A large part consists of a return of revenues of local origin—that is, federal taxes paid by residents of the community to which they are returned as grants and revenue sharing.

If subsidies are to be phased out eventually because they will have become unnecessary, it then follows that we must find some way of measuring them. There is no way now to distinguish between subsidies to localities and a return of local-origin funds.

A precise distinction is probably not practical, but a good approximation would do. In my book I have suggested one method. A standard percentage of the federal individual income tax would be automatically returned to the community of origin, subject to two conditions. State governments would fix the apportionment among municipalities, counties and special districts that have overlapping jurisdictions. Also, the sum returned would not exceed some ratio to conventional taxes collected by the recipient local government. The local-origin funds thus returned would be enough to enable the great majority of local governments—those that do not need a subsidy as I have defined it—to dispense with any other federal payment.

Some other method may be better. In any event, methods should take second place now to the creation of a national consensus that the recovery of cities is a practical alternative to their indefinite dependence upon subsidies.

For two reasons, I believe it is important that an early national decision be reached that subsidies to cities will thereafter be conditional upon their progress toward a recovery goal.

The first is that at least some city governments will need such a spur if they are to make their best effort to become independent of a need for aid.

The second is that without such a commitment on the part of cities the rest of the nation may grow so weary of continuing aid that whatever is given will be less and less adequate, thereby causing still more people to move out.

A condition of "aid weariness" may be closer at hand than we suppose. It could be crystalized by a series of municipal financial crises brought on by a convergence of economic recession and accelerated population losses that shrink a city's tax base. The worsening financial situation in Detroit is probably a more accurate harbinger of potential crises traceable to these causes than is the financial bind in New York.

Earlier, in appraising the likely consequences of the new situation resulting from a near-completion of the rural-to-urban transition, I expressed the opinion that the immediate effect will be population losses by cities severe enough to shrink the revenues they need, but that the new situation will also make recovery less difficult. If this judgment is correct, then an early national decision to undertake the policies of recovery will be the best safeguard against an onset of "aid weariness."

Each city receiving aid would be required to prepare and pursue a recovery program that would meet standards established in recovery legislation. Aid would be commensurate with each city's need, and would be progressively reduced as the city improved its ability to attract residents working nearby and as more of its poor became self-reliant.

Although the federal government would need to ensure that its aid was not used improvidently, local governments should have more initiative and discretion in meeting mutually agreed recovery targets than they have under present aid programs.

I believe the policies I have proposed will be responsive to the basic causes of our cities' distress. They fit together, and will promote—in words that I wish to stress—a realistic and desirable adaptation by cities to the still-evolving metropolis. I believe that they would permit the most crippled city to make a full recovery in approximately two decades.

Chapter 8

NEIGHBORHOOD REHABILITATION: THE BALTIMORE CASE

By Robert C. Embry, Jr.

We in Baltimore have been greatly distressed over the absence in this country of a coherent strategy to deal with the problems facing many of our large cities.

I have been asked to comment on the rehabilitation of older housing in our cities. Persons concerned with housing have increasingly realized that the answer to the problems of urban housing is to be found primarily in the existing housing stock as opposed to new housing construction. With the increased costs of relocation and new construction, the growing appreciation of the value of conserving rather than destroying, methods of preserving our cities' existing housing will become increasingly important.

Most of our existing urban housing in cities is structurally sound. The essential problem is that there are inordinately large numbers of low-income persons in cities. Neighborhoods that are deteriorating or deteriorated are usually those with a large number or an increasing number of poor people within their boundaries. In discussing housing problems we should not allow ourselves to be misled from the essential problem—that of poverty. If there were no poor people in our cities we would not have a housing problem.

Housing programs for low-income people cost money. Any reform in the area of zoning, building code, labor constraints, and lending inequities will only have a minimal impact on the housing problems of the poor. We should not permit ourselves to become enmeshed in these comparatively minor issues until we have satisfactorily funded workable housing programs for low-income people.

It is currently popular to state that you cannot solve problems of cities or the poor by "throwing money at them." That statement should read by "only" throwing money at them for these problems cannot be solved without a substantial increase in appropriated funds.

We should also understand that we have an urban problem, as opposed to a neighborhood problem, only because of how we choose to define the boundaries of our cities. The urban problem really exists primarily in the urban areas of the North and East. These cities are in trouble largely because their boundaries are frozen. In effect, the poor have been concentrated in a relatively small area, a political boundary has been drawn around them, and we have called it a city.

Large cities in the South and West such as Houston and Kansas City do not experience the same problems in part because of the flexibility of their city boundaries.

Baltimore's fiscal problems would largely disappear if the city was dissolved as a political subdivision and absorbed into Baltimore County.

This, of course, will not happen voluntarily. Theoretically, it is easily accomplished but the county would oppose the assumption of city burdens, and political forces in the city are not anxious to compete in a new enlarged forum.

Perhaps the sword that will cut this Gordian knot is held by the courts. Recent decisions on housing and schools desegregation have begun to question the sanctity of city-suburban boundaries.

No court test has yet been given to city boundaries per se but a strong argument can be made that a State-imposed boundary which insures overwhelmingly black schools and grossly unfair tax burdens is in violation of the 14th amendment.

As a final prefatory point let me stress that we must be alert in evolving any city rehabilitation strategy that we do not ignore the poor and squeeze them in the vice represented by middle-class families rehabilitating inner-city houses on one side and unyielding middle-class suburb on the other.

We must encourage middle-class families to remain in our cities or come to our cities, but only if by doing so we are simultaneously improving the situation of our urban poor. It is very easy for rehabilitation and neighborhood preservation programs to turn into efforts to remove the poor.

With these cautionary words, permit me to comment on our situation in Baltimore and our efforts to rehabilitate our existing housing stock.

Our first step was to end clearance programs as the tool for providing low-income housing. For the past 5 years we have been providing public housing almost exclusively by acquiring and rehabilitating existing vacant housing. Clearance programs disrupt both the neighborhood cleared and the neighborhoods into which large numbers of displaced low-income families must relocate.

Our vacant house rehabilitation for public housing has proved faster and cheaper than new construction, it has avoided the concentration of low-income families that comes with new construction, and it has avoided the public labeling of families that happens in low-income projects. Largely because of this program we have been able to hold the number of vacant properties constant during the 1970's.

We have had no instance of neighborhood opposition to this program and none of the over 1,500 units completed have been abandoned.

Our major problem here is money. The Nixon moratorium cut off our funds. Section 8 has not proved an adequate substitute because of the absence of financing mechanisms.

We also assist low-income owners by rehabilitation grants and by performing needed rehabilitation work with our own crews where necessary.

For persons of moderate income in areas where the housing is not suitable for single-family occupancy we have rehabilitated blocks of larger houses and sold the individual apartments as cooperatives. This gives the families the benefit of homeownership at a reasonable cost in space suited to their needs.

We also rehabilitate individual houses that are suitable for single-family occupancy and sell them to homeowners.

In both cases a write-down is required. That is we sell the houses or apartments for less than it costs us to rehabilitate them. We do this both to provide housing for lower-income citizens and because the neighborhoods in which the houses are located will not support a sales price equal to our rehabilitation cost.

The subsidy often is substantial, amounting to $10,000 per unit or house, but it is a one-time cost and it is less than the cumulative subsidy involved in a 236 project.

Many of these 236 costs are less obvious, being reflected in tax benefits, developers' profits and payments to banks, but they are no less real.

Furthermore, since the final ownership in our rehabilitation programs is in the occupant we are not plagued with continuing operating problems and operating costs.

Finally, we are vigorously seeking to hold and attract middle-income households to the city. We do this with both rehabilitation and new construction programs.

There is a large potential market here that we are not realizing. Many of the trends that were working against the cities during the past 20 years are now working in the cities' favor. The last wave of immigrants to our cities, that form the rural South, appears to have ended. The baby-boom children have passed through our schools and their teenage, high-crime years. A higher percentage of the population are either single adults, married with no children or elderly.

These are potential city dwellers as opposed to suburban dwellers. New housing costs in the suburbs are skyrocketing, interest costs are at an all-time high and various growth restrictions are reducing suburban housing production.

Transportation costs are rising and many people want to have their job, shopping, church, and school closer to their home than is possible in the suburbs.

In addition, perhaps most importantly, but most difficult to quantify, America's value system is shifting from what is new is good, to what is old is good. City neighborhoods and older houses are rising in the estimation of many of our citizens.

The private market, however, has not been able to fully respond to this unmet demand. We find there are thousands of families who want to live in our city but are deterred by the difficulty of obtaining a mortgage or the higher urban-property tax rates. What is needed are incentives for these persons to do what is in the best interest of society, to move into our city.

The Federal Government acknowledged this problem when it adopted the 312 program in 1966. It said it was desirable for people to stay in or move into older sections of the city and fix up houses. And to encourage this it made available 3-percent loans.

In Baltimore, as a result, over 830 homes have been rehabilitated in 10 years. The default rate has been less than 1 percent, a rate comparable with that experienced by banks on their suburban mortgages.

That figure could be even higher if we received funds on an expanded regular basis instead of the stops and starts we have experienced in the last 8 years.

In addition, we found that unnecessary federally-mandated redtape adds 50 percent to the processing time when compared to our city-run and financed rehabilitation loan program, which achieves essentially the same purpose.

This effort to hold and attract the middle class is not a code word for attracting whites exclusively. The majority of our 312 loans have gone to blacks. The city particularly needs its black middle class for the leadership and example they provide.

The administration of any program of this kind should be altert to the racial composition of its beneficiaries.

Baltimore is convinced that the availability of mortgage money at favorable rates is an inexpensive and effective way to turn our city around. Because of the unavailability of Federal funds, we have been forced to use some of our badly needed local lending authority for loans of various kinds.

Our most visible program is the rehabilitation loan fund. The city borrows funds with general obligation bonds and then lends the funds so obtained to homeowners who wish to rehabilitate houses in the city.

First priority for this money goes to persons rehabilitating vacant houses under our homesteading program. Here we make available at a price of $1, to persons who will rehabilitate the property and live in it, vacant houses acquired by the city through tax delinquency. Over 300 properties have been disposed of in this fashion in 2 years.

As an indication of, the potential market for programs of this type I would call your attention to our Otterbein area where we offered 90 abandoned houses. We had over 900 applicants for these houses and had to make selections by having a blindfolded priest draw the names out of a drum because the competition was so fierce for these houses.

In fact, I was shamed because of potential conflict of interest, into not applying for one myself although I very much wanted to.

New construction presents a similar problem. We are undertaking large redevelopment projects in the Inner Harbor and Coldspring New Town to build new middle-income housing. The market studies indicate people will move to these areas but private financing is just not available. Again, to fill the gap, the city has floated bond issues of $40 million which are used to provide 40 years, 7.5-percent interest rate, 10-percent down mortgages. The projects are now moving ahead. They have been stopped for years waiting on the private market.

Existing housing presents the same dilemma. Public 6-percent mortgages are helping tenants become homeowners and encouraging movement into the city. Over 380 mortgages have been provided in this manner with the demand greatly exceeding the supply.

In each of these cases we are talking about loans that banks and savings and loans should not be expected to make. They obviously cannot lend at below market rates and they will not make the smaller city mortgages when they can make larger mortgages in the suburbs that cost the same amount of service.

We had a running dispute with the lending companies on their proper role. We prepared a study of where the money is going and I think this would be interesting to the committee, for its puts the finger very clearly on the lending institutions; they were not doing the job. They have since responded by providing loans wherever they have been reasonably requested. But there is also clearly a demand that the private lending institutions cannot meet, and that is why the city has attempted to fill this vacuum.

If the Federal Government would designate those limited cities where there is a gross disparity between city and suburbs and make direct rehabilitation, new construction, and existing housing loans available through a special development bank or through the city, a tremendous impact could be obtained, at least in our city, at relatively little cost.

This program should be in the form of a block grant in that the cities should be responsible for drawing up the rules and regulations and making the loans. It is crucial that FHA not be involved in such a program, I might add, at least from our local experience.

Direct loans seem to work for farmers. We think the cities need equal treatment. To insure the loan process is not corrupted, cities should be held liable for any loan improperly made with charges made against community development funds. Charges could also be made for loan defaults in excess of a percentage arrived at after considering the higher risk involved.

A second need is for a reinstitution of the conventional public housing program, particularly with respect to the rehabilitation of vacant structures or the purchase of existing housing for low-income citizens.

This permits us to insure that any return of the middle class is not at the expense of the poor and to permit us to help the poor move into areas outside of the inner city to provide some economic integration that is not now available in practice under section 8 or any previous low-income program.

I would note our city has the power to operate 10 miles outside the city limits but past programs have not been structured in such a way that that proved realistic.

Third, we would urge continued support of the neighborhood housing services project that was begun by the Federal Home Loan Bank Board.

The NHS program in East Baltimore has been a tremendous success, which we are getting ready to expand, in encouraging homeownership, in attracting new residents, and in financing rehabilitation.

We have funded several experiments in enabling neighborhood staffs to market houses in their area, provide financing, counsel new residents, and encourage rehabilitation. We are very heartened by the results which, unlike many programs, can be quantified in terms of the number of loans and the number of people buying into the neighborhood.

We get more value for the dollar spent in these programs than anything else we are doing. It is important, however, that these efforts be tightly run and supervised and be used only in areas sophisticated enough to run them.

Fourth, a Federal effort should be made to reduce the significance of urban boundaries, as I indicated before. I am not optimistic that anyone other than the courts can achieve any results in this area, but perhaps Federal incentives might work in some limited number of cities in the country to achieve more metropolitan cooperation.

Chapter 9

SOME POLITICAL DIFFICULTIES FOR CITY SAVERS

By Paul Ylvisaker

I am a veteran of the urban wars. And those of us who have been in the business for a while tend, I think, to be a little bit more hesitant before speaking, not so much about what we are seeing, as what one does about it.

It is extraordinarily hard to reverse the trends we are talking about, and many of us have used up our equities and our wisdom in trying.

I see the decline of the American cities, the central cities particularly in the industrial areas, as another casualty of the single-entry kind of bookkeeping that human being and Americans do.

We tend to run very quickly after affluence and to duck the cost of prospering.

We are looking, therefore at cities as the unpaid and accumulating costs of the American enterprise.

We are also looking at what went wrong in the context of what most Americans think went right.

My concern has to do with the fact that we don't pay all our bills. I have a Midwestern puritan's instinct about paying bills and think this Nation ought to.

My concern is not so much with the physical deterioration of those central cities; it is far more with those who are victimized by it.

I used to go through the exercise in dealing with Newark, N.J., of closing my eyes, of walking into that city and "listening to humanity" rather than watching what people live in.

And I must say one comes out much more an optimist if ones does that. One does because the spirit regenerates; building may not.

And I am also concerned about what it says about the American character—a Nation I dearly love—that it doesn't pay its bills and allows an accumulated set of unmet obligations do so much damage to so many human beings.

The basic predicament we are dealing with is quite simple. First, most Americans don't want to live in central cities.

Second, most Americans don't really have to. Some, yes, some stick or are stuck there for a variety of reasons—often unappreciated. But most Americans do not have to. There is open land out there and the legal system and other things allow them to go wherever they wish.

What is worse by my reckoning is that they don't have to pay the costs of that choice. They can leave for greener pastures and (for a while) lower costs—whether it is the suburbs or the far reaches of the metropolitan area or the "sun belt" or whichever—they can go there without paying the costs of what they leave behind.

We have not set up a public accounting system that forces them to pay the full measure of the choices they make.

When the majority of Americans choose not to live in America's central cities, elected State and Federal officials are placed in a predicament. And I stress, for reasons I will indicate, elected officials. Elected officials don't relish asking majorities to go against the grain of their wishes.

Not only do they not relish asking the majority to do what the majority does not want to do, which is to live in the central cities or pay the costs; they don't get very far in public office if they try.

I am speaking as a bruised veteran. My tenure in New Jersey as a commissioner was cut short with 3 days notice and 2 days pay when I asked the suburbanized majority of that State to change their zoning laws, to change their tax systems, to do the things they had chosen not to do, to change the ground rules by which the central cities and their trapped citizenry were left to suffer the consequences of the majority's exodus.

Therefore we don't have an "urban policy." Those people who use the phrase—including myself and also the Congress—those people who use the phrase "urban policy" are really talking about a policy that would ask the majority to pay more of the costs of the central cities they have abandoned.

I know that elected officials go in with the best of intentions asking for an urban policy; but they quickly discover they are dependent upon the majority of voters who feel the other way, and shortly they are forced to give up.

I can never forget Pat Moynihan coming into public office, the White House, with a strong statement about the need for urban policy. But after 2 years of dealing with an American majority headed the other way, Mr. Moynihan concluded we couldn't have an urban policy; at least as he saw it, things were too complicated and Americans were not about to be put into a straitjacket of a set of policies that would go counter to their interests.

So there's been no "urban policy." At most, we've been able to squeeze out of the majority of voters what I would call "conscience money." Categorical grants in the 1960's, general revenue sharing in the 1970's, are really conscience money. Like what we give through the United Way; we all feel better for having given charity to a group of people we do not want to get too close to.

This sounds like a put down of what the Federal Government has done, but really that money is only conscience money directed by a suburbanized majority at a problem they would just as soon leave alone.

What is also wrong about that kind of money is that it is now coming in lesser amounts. There was a mischievous ingenuity in revenue sharing. Washington said in effect to local officials "We will give you less money but let you decide how to spend it." Local officials made the trade happily. They had bitter memories of the 1960's when the money went directly "to the folks." They had bitter memories, too, of that money getting out of their political hands and of the loud clamor—but also, I think, the much needed advocacy—that money produced.

By, and large, what revenue sharing tends to do is give lesser amount of money in more politically palatable form.

What else is wrong with this substitution of money for policy is that the money when given gets sluiced mostly to majority concerns.

Every time we submitted urban aid legislation in New Jersey, it came out as suburban assistance. If you look carefully at what happens to Federal aid, you'll find it similarly diverted from the central cities and their poorer populations to other communities for other and more majoritarian purposes.

Also, money tends to be a palliative; in and of itself, it cannot fundamentally change or correct the problem we are faced with. At best I would guess this money, if it has any visible effect on our central cities, will end up building isolated fortresses of urban livability for a more fortunate few.

I invite you to look at the architecture that dominates the only new construction in the aging industrial cities in this country; it is "fortress architecture." Whether it is the Watergate, whether it is the riverside development in Detroit or whatever, it tends to draw a wall around itself and to face inward. If you go to Newark, you will see the construction next to the railroad station is just another kind of fortress, designed so that you can come to Newark without ever having really been in it.

What we need to do—and for those who have to contend with majority opinion running to the contrary it is not a very pleasant prospect—is to change the ground rules by which the system operates.

Let me give some examples to show how complicated the task really is if you seriously intend to change the condition of American cities and particularly the aging industrial cities. If you mean to do that, here are some of the things you are going to have to get into.

Start at the international level. I was asked to address the Federal system and what can be done at the various levels. But the international level may be one of the most important points of leverage. Illustration: Our technical assistance in the last generation has been dominated by a philosophy of agricultural mechanization and greater human longevity. The combination of the two has built up a waiting pool of migrants of cities—not least American cities—that is staggering. Literally billions of human beings throughout the world are—or during the next quarter century will be—facing the move from rural to urban areas. And millions of these will be knocking at our doors, and/or slipping through them.

Already, because we have increased the survival rate and have found that the only way we can increase agricultural production is usually by capital-intensive rather than labor-intensive means, you will find this pool of migrants increasing its flow. The estimated rate of illegal immigration to this country now is about 800,000 a year, which is double the rate of legal immigration.

There are an estimated 8 million illegal immigrants already residing in this country. Where are they? They are filtering like soft-falling snow into our cities along the coastal regions. They are coming largely from the Latin American countries but also from Asia. And I do not count here obviously the legal entry of the middle and upper class people displaced by political upheavals abroad; mostly the newer and illegal immigrants are rural and agricultural.

Now I think the Congress ought to take a look, for example, at what is being done to develop the agricultural communities of the northern States of Mexico. What we did to agriculture within the United States is now happening there; the mechanization that drove millions of southern blacks to our northern cities is now pushing and pulling the legal and illegal migration of Mexicans to our cities, particularly in the Southwest.

Now it is true, that rural to urban migration within the United States is about over. We have depleted the farm population and there aren't many more left to move. But the flow now is going to come from abroad. And the policies which we have followed in the past, namely of technical assistance, of foreign aid, of international agreements, the Bracero agreements and so forth with Mexico—have served to increase this actual and potential flow.

The premises which underlie our foreign aid policies have helped set the ground rules for urban policy. Those are some of the ground rules I would argue have to be changed.

At the national level, clearly one ground rule change that is called for is for the Federal Government to take responsibility for welfare and health. That is long overdue. What we have done by localizing responsibility is to force into the central cities the poor, who need both subsistence and medical attention: the cities were the only places where such aid was provided to the poor, they have huddled there, and their concentrations are now bankrupting the cities that gave them aid.

If we were to change the ground rules to say that the nation takes responsibility for the poor and the sick—no matter where they are born and no matter where they may live—the responsibility for basic sustenance and health, our overburdened central cities would have a fighing chance to survive.

But more than that, we would have given some mobility to those who have no place else to go than the decaying city.

Next, youth employment. With current unemployment rates up to 40 percent in some of our older central cities, a culture is breeding true which is a counterculture far more ominous than the counterculture produced by the more privileged youth of the 1960's.

This is a survival-by-any-means culture. And we cannot as a Nation say that the central cities have the sole responsibility for employing those kids.

The ground rules? It probably means incentives to business. It may mean modifying the wage structure. But a system that drives urban youth and central cities into chronic crime and despair cannot be left intact.

Also the form and the cost of utilities, especially transportation. We have let the American people have their automobiles, the cities be damned. And Detroit—the city of the automobile—is the city that symbolically and conspicuously is now going to hell. Continue to skew the availability and cost of public utilities in favor of surburban and sunbelt development, and the descent of the cities accelerates.

The ground rules of investment: This committee ought to be scrutinizing constantly the investment practices and public regulatory policies affecting banks, insurance companies and other financial institutions. "Redlining" was but a beginning.

Federal tax policy: the Federal Government has stabilized, even lowered, its tax rates while forcing, in effect, overburdened central cities to raise theirs. Hardly a set of ground rules that contribute to urban reconstrution.

Next, the States. I would urge that the role of the States be given special attention. States, under our Constitution, have the police power which sets the ground rules in most areas of our lives.

Let me cite the sorry example of zoning. The States have abdicated their moral and legal responsibility to local communities. The result has been a growing pattern of racial and economic discrimination. That has been even more viciously entrenched by the property tax—another instance of the State's failure to fashion its ground rules so that central cities could live on even terms with America's majority.

Fortunately, under minority pressure and judicial duress, State tax systems are being changed, especially to equalize educational resources. I would urge an even broader perspective. Our society has moved to one in which services predominate, not manufacturing. Manufacturing has left the central cities. Their natural advantage—their chance to prosper—lies in their densities, which favor the service economy. But the current ground rules cancel out this natural advantage. Cities rely on the property tax; hospitals, libraries, medical centers all are service-oriented, but they're mostly nonprofit and don't pay property taxes. Yet they require costly municipal services which could be paid for through a municipal (or shared State and/or Federal) tax on incomes. But State legislatures and the Federal Congress aren't very enthusiastic about changing ground rules along those lines. Result—the cities' prospect of becoming a vital part of the post-industrial society is cut off.

Boundaries are another of the ground rules controlled by the States. Cities might prosper if they were expanded to include their more affluent environs; few are.

I would urge the Federal Government to use its bargaining strength to press for State changes in these and other ground rules. For example, I have never been able to understand why the Federal Government did not come to New Jersey before it had an income tax and condition Federal aid on that State's doing what it should have done, which is to move to an income tax much earlier.

Congress tends instead, by general revenue sharing and discretionary grants, to give up the bargaining power it has with the States to achieve some of those ground rule changes.

Very little leverage is available at the local level to make systematic changes—yet that is the level where responsibility is being shifted through revenue sharing and other current devices. Mayors do not have much control over the system, nor do city councils. They need the Federal and State governments to work on the fundamental changes that are needed.

One area I haven't mentioned is the workings of the municipal bond market. I'd like to see this committee do a thorough investigation of that process—some of the most damaging and mischievous policies and practices affecting the health of central cities are to be found there.

My plea, then, is to change some ground rules before talking further about appropriating money. The question is, who is going to bell that cat? Central cities are a concern of the minority, not the majority, of Americans. And legislators and Congressmen, Governors and Presidents, get elected by the majority.

It is no accident that the courts are one of the major instrumentalities which are holding the Nation's feet to the fire. Elected officials rarely can stand the pressures that favor suburbs and sunbelt. That leaves the courts as the lonely protectors of the minority and the cities. The courts are enforcing the American Constitution and preserving a sense of equity. But the courts cannot stand there alone particularly when they get thrown at them from this body and the White House statements that the courts have no business "messing around" in urban finance and education and zoning, and that no one should listen to—and obey?—their rulings. Sad, tragic—because the courts are the primary force holding the system to account.

A supportive force is advocacy—the public interest groups that have lately come into being. We need advocates of the poor and the central city. And thank God many of them have found legal handles by which they can hold us to account.

Mayors, too, but mayors these days have been demoralized. Foundations have joined the fray, but too few. I think the Congress every so often ought to prod the foundations to be more active in urban affairs. Similarly, American corporations: they are allowed to deduct charitable contributions up to 5 percent of pretax income, but actually give only 1 percent. That additional 4 percent could help substantially if devoted to strategic urban problems.

The prospects? One could easily become pessimistic. A counterclass and a counterculture are developing in our central cities. They are dedicated to survival-by-any-means. Unemployment—well, I wouldn't call it that. What's happening is employment in other kinds of human activities—crime, hustling, ripoff. One could foresee the emergence of urban "war lords" who will build their power in trade for guaranteeing personal and job security within deteriorating central cities.

But on the optimistic side—and I have counted on it heavily—there is down at the street level a lot of sturdiness and there is a lot of decency. It is surprising how it has perservered in the midst of urban decay.

When I closed my eyes to the shabbied buildings of Newark and listened instead to human beings, I found vibrant spirits with more ingenuity in many respects than my suburban folks. And that sturdiness, that sense of common decency I think are the biggest force our central cities have going for them. Certainly it's more immediately to be counted on than the other force that may also bring life back toward the downtown—the shortage of energy, which again would revive the logic of greater density on which our older cities were originally constructed. Though I must admit, having just strolled the revived Quincy Market area of waterfront Boston, I catch a sparkling glimpse of a new urban life-style that may appeal to our next generation.

One of the disasters that has occurred has been the break-off of the energy and commitment mounted during the 1960's. The new town movement—criticize it as you will—urban renewal—criticize it as you will—the poverty and model cities program—criticize them as you will—all of them aspired and ennobled. And then they were dismantled with no hope or idealism left in their place.

I would like to see the Congress make a minimum but sustained commitment to every one of these declining urban areas if votes and resources are too few to allow for anything more. Say that this Nation—if we can't satisfy all of our housing needs—will guarantee that there will be a sustained effort, despite varying politics and the interest rates, to keep good people working to accomplish set minimums—of housing, employment, facilities. Somehow the rest will get done—if decent people are given your pledge to stay with them.

Chapter 10

HOW TO IMPROVE URBAN TRANSPORTATION AND WRAT TO DO ABOUT THE AUTOMOBILE

By C. Kenneth Orski

As a backdrop for our understanding of how European cities view these issues it would be useful to recall briefly the events of the past 30 years. Europe emerged from World War II with a shattered economy and with many of its cities in ruin. Its energies during the immediate postwar years were devoted to rebuilding its industries, reconstructing its cities and modernizing its basic infrastructure. Consumer products, including automobiles, took second place to the basic task of rebuilding the economy.

Automoible production thus increased slowly during the early postwar years, and this meant that the cities of Europe remained heavily transit dependent through the 1950's. Automobile ownership and new highway construction did not become widespread until the 1960's. However, already in the mid 1960's, there were danger signals that the rising level of automobile use was taking its toll. The narrow streets of old European cities were never designed to accommodate large numbers of automobiles. By the late 1960's traffic congestion had become endemic in Paris, London, Rome, Madrid, and many other urban centers. Air pollution worsened and parking became a nightmare. At the same time, efforts to build new urban expressways were running into mounting opposition from a large and vocal public bent on preserving the historic quality of the medievel cities. One only need to recall the reaction to the proposed Left Bank Expressway in Paris or to the "motorway box" in London to appreciate the depth of the antihighway feeling.

Then came the Arab oil embargo with its traumatic shock of skyrocketing gas prices, gasless weekends, and the discovery of how dependent on the automobile European cities had become. Coupled with the energy crunch was the economic recession and double-digit inflation which swept Western Europe in the early 1970's. Governments no longer found it possible to finance massive capital projects. There was a new inclination to make do with what was already there and to proceed cautiously with major new investments.

Three sets of constraints thus came to influence the urban transportation policies of European cities in the mid-1970's. They were (1) the rapidly rising gasoline prices and the desire to limit dependency on foreign oil supplies; (2) the growing public perception and concern over the disruptive effects of automobiles and highways, especially on the historic city centers; and (3) the shrinking availability of investment capital for new public projects.

In many ways these same concerns have come to dominate our own thinking. It is particularly instructive, therefore, to examine how public policy in Europe has responded to the new constraints, and to what extent these responses may also be applicable in this country.

I find it convenient to discuss these issues under two headings. The first is the changing philosophy of transit planning and implementation; the second is the new emphasis on more effective management of the existing transportation system.

TRANSIT PLANNING AND IMPLEMENTATION

Incremental development

Traditionally, transit construction has been viewed in Europe as an incremental, open-ended process. Typically, the initial segment of a rail transit system was built in the central portion of a city, where traffic density was already high enough to justify high-capacity service. Progressively, the initial rail segment would be lengthened and connecting branch lines added, until eventually a rail network was created covering the entire central city.

Over the years, the network would be extended, usually a few miles at a time, into newly developing suburbs. After several decades of this incremental process, a full-scale, regionwide rail system would emerge, by then organically imbedded into the fabric of the metropolitan area.

This is the way all the great European underground rail transit networks have evolved. London, for example, began its District and Circle Lines in 1865. In 1900 the underground system was still only some 50 miles long. During the next 50 years the network grew progressively, reaching some 240 miles by 1940. In the late 1960's the Victoria Line was added to the system. Today, over 100 years later, the system is still being expanded with the construction of the Fleet Line and the Heathrow Extension.

This, incidentally, is also the manner in which the great subway networks of this country have been built. Construction of the New York subway, for example, began in 1900 with the first IRT lines totaling 23 miles. The system, as we know it today was not completed until 1940. In the intervening three decades some 200 miles of rapid transit lines were added to New York's metropolitan transit network.

Somewhere after the war, however, the transit planning style changed. Partly to compensate for the many years of neglect and partly, perhaps, because this was the way highways always had been planned, cities began to come up with ambitious master plans for massive, regionwide rail systems and with construction schedules that would bring the systems into operation so as to provide service to an entire metropolitan area more or less simultaneously. This is how the postwar rapid transit systems of Stockholm, Milan, and Munich were built; this was also the way the San Francisco Bart and the Washington Metro systems came into being.

Today, the scarcity of investment capital in Europe is once again forcing transit planning into the classic mold. Plans for ambitious new rapid transit systems and for major expansion of existing networks are being reassessed and drastically scaled down or stretched out. Phased, incremental construction has once again become the conventional wisdom.

Multimodal planning

There is also a growing recognition in European transportation planning that single-mode transportation systems are no longer capable of coping with the travel needs of large metropolitan areas. The land uses, ridership densities, and travel patterns of today's cities have become simply too diverse to be served efficiently by a transportation system of a single kind, be it an all-bus, an all-rail or an all-automobile system. Each of these modes has certain unique attributes which enable it to perform well only under certain conditions. Thus, there is a growing tendency in European transit planning to match the modes and technologies closely to the service requirements and traffic volumes which prevail in specific corridors. Instead of a massive network of fixed guideways of one particular kind, a transit development strategy for a large metropolitan area might involve a rail rapid transit line in a corridor of heavy demand, a light rail network in lower density portions of the urban area, and buses serving as suburban feeders to the rail system—all working cooperatively as elements of one integrated, interconnected and coordinated metropolitanwide transportation system.

Light rail transit

This brings me to the subject of light rail transit, a mode which embodies many of the planning concepts I have just referred to. Unlike American cities, most European cities never abandoned their streetcars. Today, these trolley networks are being converted into modern "light rail" systems. The conversion involves placing the lines underground in the congested city centers and providing separate surface rights-of-way elsewhere, with grade separation at major intersections. Some cities are also closing off certain downtown streets and turning them into transitways malls as a less costly alternative to subway construction. The upgraded light rail transit systems are being equipped with attractive modern vehicles of different sizes and capacity. A number of cities—including Antwerp, Brussels, Cologne, Zurich, Bern, Gothenburg, Frankfurt, Bonn, Stuttgart, Ghent, and Geneva are thus turning their existing sreetcar networks into modern, high-performance rail transit systems at a relatively low cost. The trend toward light rail transit is not limited to cities that still possess operational streetcar systems. A number of European cities—Hannover, Milan, and Amsterdam, for example—which had originally planned to build heavy rail rapid transit lines, have reconsidered their decision in favor of light rail technology. Several other cities—including Utrecht, Tyneside, Edmonton, and Vancouver—have opted for new light rail systems as the preferred technology.

How can we explain the growing popularity of light rail transit? The main reason, I suspect, is the dramatic difference in cost. A recent study has estimated the average cost of construction of a light rail system at $5 to $20 million per mile; by contrast, the cost of heavy rapid transit can reach $50 to $60 million per mile.

Light rail has other advantages. It can be built in stages, a few miles at a time; it can be converted to higher capacity rapid transit once the traffic warrants the additional investment; it can serve as an internal circulation system in the central city as well as connect outlying suburban communities with the city center; and its unobtrusive vehicles and guideways enable light rail transit to penetrate into residential areas at grade with a minimum of environmental disturbance.

Most importantly, light rail transit is well suited to the evolving urban patterns. Traditional transit planning concentrated on accommodating travel demands in high-volume radial corridors that typically were found in the older, densely developed metropolitan areas. But such corridors represent a relatively small and shrinking share of the total urban travel market. A growing proportion of metropolitan travel—in the United States as well as in Europe—takes place in low- and medium-density areas that have sprung up on the fringes of our metropolitan areas, and that characterize the newer, automobile-age cities.

In these areas, trip patterns are too diffuse and travel volumes too small to justify high-capacity transit systems. The need is for public transportation that can function efficiently and economically in conditions of low- and medium-trip density and still provide a level of service that will attract people out of their automobiles. There is a growing body of opinion that light rail transit is the mode that best satisfies that need.

TRANSPORTATION SYSTEM MANAGEMENT

The new constraints have not only taught European cities to think smaller in terms of new infrastructure, but also to better manage the existing transportation system. Cities are discovering that innovative operation of buses and automobile traffic pays of in terms of improved public transportation service, less congestion, and more pleasant pedestrian environment—without any sacrifice in mobility.

Improvements in bus service

New imaginative ways are being uesd to improve existing bus service. Special buslanes have been set aside in city streets in some 30 European cities, including Paris, Hamburg, London, Bologna, Madrid, Lille, Marseilles, and Toulouse. These exclusive lanes have improved the speed and reliability of bus service by up to 25 percent, and have led to increased bus patronage.

In some cities, bus-only streets have been established. The best known European example is Oxford Street, a busy shopping street in central London, which has been closed to all auto traffic since November 1972. Where bus flows do not justify the allocation of an exclusive lane or an entire street, priority can be given to buses at signalized intersections. This technique is, in effect, an extensive to bus transit of the priority treatment that has always been granted to trains at grade crossings. Bus priority at traffic signal exists in Glasgow, Bern, Paris, Gothenburg, and several other cities.

The concept of giving buses and other high-occupancy vehicles preferential treatment over the rest of the traffic has been widely embraced in the United States. Over 50 urban areas have introduced some form of bus priority over portions of their highway networks. Most of these schemes involve setting aside reserved bus and carpool lanes on urban freeways and giving buses preferential access at toll plazas and on freeways access ramps. Less frequent are schemes involving exclusive bus lanes on city streets. Yet, it is precisely in dense, congested central urban areas that buses need and can benefit most from preferential treatment. Foreign experience suggests that such schemes are technically and operationally feasible and can substantially improve the speed and reliability of city bus service.

Management of the automobile

The search for an appropriate urban transportation strategy in America is often hampered by our unwillingness to decide on the appropriate role of the automobile and of public transportation, and then to execute that policy in some consistent way.

European cities are less circumspect in that regard. In Hamburg, for example, transportation planning is based on a zone concept of concentric rings around the city. In the most central zone pedestrian movement is favored and automobile traffic is actively discouraged. As one moves outward, the use of the automobile is given higher prominence.

This policy has been adopted de facto in a large number of other European cities. The city center is being increasingly dedicated to pedestrians and transit vehicles, while private auto use is either discouraged, restricted, or banned. In the inner suburbs transit and automobiles are given equal role, while in the outlying areas the automobile clearly predominates.

Vehicle-free zones, together with the designation of certain streets for transit and pedestrians only, have had an impressive effect on both mobility and the environment in the center city. Over 100 cities in Europe have excluded automobiles from portions of their central shopping districts—a move that European merchants and shoppers now consider as an essential element in preserving the vitality of the downtown areas. Land uses and property values within these car-free zones have been invariably improved after their conversion to pedestrian use.

Other approaches used to automobile management include parking restrictions, diversion of through traffic, restrictions on daytime truck deliveries, and deliberate automobile "restraints." One type of restraint, adopted in a number of European cities (Bremen, Gothenburg, Stockholm, Besancon, Bologna, Nottingham) involves dividing the city center into sectors. A system of pedestrian streets, transitways, and one-way streets prevents automobile traffic from crossing directly from one sector to another. Instead, cars are required to return to the periphery and use a designated circumferential route in order to travel to another sector. This type of traffic management scheme has resulted in greatly improved speed and regularity of public transit and vastly improved environment for pedestrians and central area residents.

Another type of restraint, adopted in Nottingham and Southampton, involves "metering" of downtown-bound automobile traffic. The intent is to impose time delays on private automobiles during the morning peak, and thus promote a model shift to buses. Traffic signals are used to meter autos at exits from residential areas onto radial routes. Buses enjoy preferential passage through the zone exits.

Perhaps the most important lesson European cities have learned from all this experience is that the individual measures must not be used in isolation but should be combined into a comprehensive and coordinated transportation management strategy. Such a strategy might involve the establishment of reserved lanes for buses, downtown parking prohibitions, car-free zones and pedestrian streets, diversion of through traffic away from the center, provision of park-and-ride facilities on access roads to the city, fare policies to stimulate off-peak use of transit, staggered work hours, and so forth.

Conclusion

I now come to the key question: How relevant are any of these policies for the United States? How much of the European experience is transferrable to our own cities? In answering these questions we must be mindful of the considerable differences in the physical and institutional organization of European and American cities.

First, European cities have retained to this date relatively compact, thriving centers with diverse land uses and activities that make for constant movement throughout the day and evening.

Secondly, because the automobile came relatively late upon the scene, European city dweller never lost the "transit habit," and the public transportation systems were never allowed to deteriorate. Quite the contrary, the urban transit systems and suburban railways enjoyed sustained support and infusion of funds throughout the postwar period and are today in a better physical shape than ever.

Thirdly, the cities of Europe grew and were formed long before the advent of the automobile. Their streets were never designed to accommodate heavy traffic. Quite the contrary, the city centers were built around the pedestrian, a feature which is discernible even today as one walks through the teeming streets of Cologne, Brussels, Amsterdam, Zurich, or Bologna. Few of our cities were designed with the pedestrian in mind.

Finally, suburbanization never became quite as chaotic in Europe as it has in the United States. Even today, suburban growth in Europe is occurring largely in established suburban centers situated along rail lines. Much of the residential development takes place within walking distance of rail stations or else clusters in self-contained settlements connected to the centers of suburban communities with frequent bus service.

Given these differences in urban character, it is obvious that we cannot blindly transplant every transportation innovation that has succeeded in Europe. Our downtowns are not compact enough, for example, to allow us to pedestrianize them on a scale attempted in Nottingham, Besancon, or Munich. Excluding cars may make sense in medieval town centers but not in spread out central business districts of American cities. Road pricing may work in Singapore, but this is no guarantee that it will be politically acceptable in Cincinnati.

However, there is much that we can learn from our European friends.

We can learn to build rail transit systems incrementally—one line at a time—instead of bringing massive regional systems into operation all at once.

We can learn to adopt a multimodal approach to transportation development: To consider transportation needs on a corridor-by-corridor basis instead of building vast networks of highways or guideways without consideration of whether adequate densities exist to justify all that heavy capital investment. In this connection we can learn to pay more attention to light rail transit as an alternative to heavy rapid transit or to multilane freeways.

And finally, we can learn from European cities to be more sensitive to the needs of pedestrians and to manage our existing transportation system more efficiently with the help of such measures as reserved bus lanes, parking management, transit malls, pedestrian streets, and staggered work hours.

Chapter 11

TRANSPORTATION AND URBAN DEVELOPMENT

By Wilfred Owen

The cities of the world provide a global laboratory of urban experiments and demonstrations, and both the successes and the failures provide invaluable lessons for urban America. Yet the laboratory generally goes unused.

It is something of mystery, in an age of jet planes and satellite communications, that it takes so long for good ideas to travel here from other parts of the world. But as it is with other aspects of international trade, we like to export ideas and we instinctively protect ourselves against imports. The result is that urban America is suffering from a chronic deficit in the international balance of knowledge about cities, and the effects are hurting the urban economy.

The observation of a large number of cities throughout the world, with different systems of government and in different stages of development, reveals a recurring theme that suggests the direction in which urban transportation policies should be aiming. By piecing together a number of individual observations, we are in a position to select, reject and combine various elements to make up strategies that are relevant. No single city offers a complete solution, but individually and collectively they all make it clear that the problems of moving in cities need to be viewed much more broadly in relation to the problems of living in cities.

FOUR ASPECTS OF URBAN TRANSPORTATION

A conviction now shared by many countries throughout the world is that a much broader view of transportation is needed if the chronic problems of cities are to be cured. There are, in fact, four ways to look at transportation, and cities need to be active on all four fronts.

First is mobility. The obvious function of transportation is to move people and goods. Mobility is needed by all people to enlage their capacity to participate in the activities of the community. Mobility of goods is also necessary in the conduct of business, to assure adequate sources of supply and to extend the radius of the market.

A second and less understood contribution of transportation derives from its fixed facilities—the infrastructure. In urban areas transport is a major user of urban space. Highways, streets, rail lines, parking space and terminals help determine the character of the city, its physical layout, and the quality of the environment.

A third aspect of urban transportation involves the demand for movement—the conditions of the urban area that generate the traffic. The volume, density, location and arrangements of urban activities determine the demand for movement. Much of what is called the transportation problem is the problem of disorder and inconsistency in the community itself. Influencing the demand for transportation through the location of housing, jobs and services may be as important as supplying more transportation capacity.

Fourth is transport's role in the spatial pattern of urban development. Transportation, in conjunction with land use policy, generally results either in giant cities that become unmanageable or in uncontrolled sprawl. But now there is a growing disposition to achieve a combination of the two by using transportation to interconnect networks of separate clusters or separate communities that can function as a single metropolis.

Foreign experience tells us that innovations in all four aspects of transportation can help redesign and redevelop the cities and the resulting changes in the way people live can make it easier to move.

The United States might discover some interesting concepts along these lines as it faces the challenge of overcoming urban slums and blight and the undesirable effects of current urban growth trends. For whereas in the past transportation has to a large extent dictated the nature of cities, it is now becoming possible to decide what kinds of cities we want, and to use transportation to help us get them.

The effort to design and create a new kind of urban region, with heavy reliance on transportation, is being made by such cities as Stockholm, Amsterdam, Copenhagen, Paris, Madrid, Lisbon, Hong Kong, Tokyo, Osaka, Singapore, Kuala Lumpur, and Curitiba in Brazil. The nature of these efforts and others like them demands our critical examination, not because the housing or transportation or community developments involved are transferable in detail, but because the concepts involved are remarkably consistent and reflect a growing consensus among a great variety of cities. Acceptable living conditions for urban man call for a much more integrated approach to transportation in relation to urban development.

STOCKHOLM

The idea that a metropolitan area might be redesigned with the help of transportation was applied many years ago in Stockholm. The goal was to house the entire population adequately, which would require several times as much housing construction as had previously been accomplished. To provide the space would require both the redevelopment of the old city and much more development in the suburbs.

Sweden accordingly embarked on the creation of suburban satellites that would be connected by rail rapid transit to the central city, where densities would be reduced to permit renewal. The satellites would have their own services, but most jobs would remain downtown.

The original idea, which can be seen today in the satellite communities of Farsta and Vallingby, was to provide low-rise apartments and town houses in a high density suburb that would permit most people to walk to neighborhood centers and to the transit station for the 10 miles ride to town. Office employment was largely left downtown to prevent the suburbs from draining the economic life of the city, and the compact nature of the suburbs permitted the use of public transit into the city, thus sparing it the traffic congestion that would otherwise have occurred in a city such as Stockholm, where levels of automobile ownership are high.

An innovative transportation strategy relates to the design of the satellites themselves. One of the largest under construction is Jarvafaltet, for 120,000 residents on 12,000 acres of land vacated by the military and sold to five municipalities, which set up an intergovernmental agency to share in the planning and development of the new city. Jarva is designed to have a single band of work places 7 kilometers long and one-half to 1 kilometer wide. There are to be two parallel bands of housing, 3 km and 5 km long and about 1 km wide. The end section of the employment band is to be the "city center." The idea of this linear design is to recognize that housing and work places need to be close together but to keep large manufacturing plants of the type moving to the suburbs from intruding into housing areas. They were therefore insulated from residential strips but made readily accessible to them.

COPENHAGEN'S REGIONAL PLAN

In Copenhagen a similar relationship is being instituted between transportation and urban development. As in many other countries, there has been a continuing loss of jobs in the city itself as the scarcity and high price of land have promoted an outward migration. The trend has been accelerated by historic conservation and by building regulations that limit the ratio of flood space to ground space. The increasing space requirements per worker in most industrial, research and commercial establishments are another factor causing a move to the suburbs.

Copenhagen has tested various growth models for the metropolitan region in order to assess alternative development patterns and their transportation requirements between now and 1985. Two opposite models have been tested for this region of 53 municipalities, one reflecting policies of decentralized employment, which would be a continuation of present trends, and the other policy of concentrating more employment in the central city. An assessment of the transportation requirements under these two sets of conditions revealed that traffic conditions for both highway and public transport networks would be far better as a result of further decentralization of employment, and that transport investments would be greatly reduced. Although new transport facilities would have to be built in outlying areas to accommodate the decentralized employment pattern, land would be much cheaper and the disruption of existing densely developed parts of the city would be avoided.

The present regional development plan calls for the creation of major suburban centers 6 to 9 miles from downtown Copenhagen, equipped with their own cultural, recreational and commercial concentrations. These are to be made readily accessible to the city by regional passenger and freight transportation corridors about half a mile wide, reserved also for power lines and pipelines, and with space for possible new transport technologies.

Other measures are being taken to provide more immediate relief. These include the extension of the all-pedestrian street network, the restriction of truck deliveries to the period 4 a.m. to 11 a.m., and the reserving of major thoroughfares for buses and bicycles. The central business district will have almost no through traffic.[1]

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[1] Wulf D. Watjen, "Strategies for Regional Development and Transport Services—The Greater Copenhagen Region." In "Transportation and Environment. Policies, Plans and Practice," University of Southampton, 1973, pp. 8/29–37.

This and other evidence points to a change in many parts of the world from single-purpose programs for increasing mobility to a broader consideration of the factors that could bring about a better balance between transportation supply and demand. It is an awakening that is bound to be further stimulated by rising costs and inflation, by uncertainty over the supply of energy, and by the growing concern for the careless for whom lack of mobility means reduced opportunity.

AMSTERDAM

The same trend toward a combination of better planned suburbs and renewed center cities is taking place in the Netherlands. The program to make renewal of the downtown area feasible hinges on a regional urban development plan in which the reorganization and modernization of suburban areas plays a major role. Transportation provides the integrating mechanism.

Much of Amsterdam's central area has been neglected since the middle of the century as attention turned to expansion of housing and industries on the periphery. As a result, a quarter of a million people living in the old city's dilapidated neighborhoods are subject to a rapidly declining physical environment and to multiplying economic and social problems. Most people who remain are poor, and fewer than half of all heads of family are gainfully employed.[2] The municipality has had no authority to do anything about urban settlements on the periphery, which are so essential to the solution of center city problems. But now the expanding regional dimensions of the problem have led to a state and national physical planning process which permits the urban region to be developed as a whole, in close relationship with the development of transportation systems.

The Netherlands regional city concept includes a program of urban renewal, controlled suburban development, and some new suburban satellite cities (comparable to Reston and Columbia) in which there will be a good mix of living, working and recreation. Lelystad and Almere, two planned new cities being developed 25 to 35 kms. from Amsterdam, offer a substitute for conventional suburbanization by offering communities in which good housing, environment and jobs are all available.

JAPAN

Japanese transportation and development policies may also be relevant in principle to some American cities. The Tokyo, Nagoya and Osaka regions are experiencing high growth rates and are making use of rapid transit to connect central areas with close-in satellite communities. In the town centers of new suburban communities, rapid transit riders disembark in attractive pedestrian town centers with a mix of land uses for business, living and entertainment. They may proceed on foot to surrounding apartments or town houses on an extensive system of pedestrian paths separated from automobile traffic. Local bus connections and automobile pick-up at the town center may also be used to complete the commuter journey.

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[2] Amsterdam Planning and Development, "Town Planning Section," Public Works Department, Amsterdam, 1975, p. 23.

CURITIBA

A variation on the same theme is found in Curitiba, the capital of Parana State, 700 kilometers south of Rio. This metropolis of a million people is undergoing a massive redevelopment that has been organized around a plan for transportation.

The transportation aspect of the development plan is to use the existing street system as the structural framework for urban redesign, with good bus transportation on exclusive bus lanes. The innovative traffic engineering scheme designates certain wide streets as busways, with parallel streets designated for automobiles. An attractive downtown living and working area was then assured through zoning, building codes, pedestrian zones and a program for parks and recreation. Commercial development will expand outward from the city center along the so-called structural transport corridors. Finally, the creation of a planned industrial city on the urban periphery handles the growth of jobs and population. These policies have created a liveable city in the course of only a few years.

Despite the ownership of 100,000 cars 3 out of 4 people coming to the center of Curitiba ride the bus. This policy is supported by restricting downtown parking, and by keeping the hourly charges for car parking at about 10 times the express bus fare. There are 10 private bus companies, each operating about 8 or 10 lines, with the municipal company responsible for the express bus service. Cost of the busways amounted to only a few million dollars.

An innovative approach to planning and developing the city has been the creation of a private planning organization (IPPUC) that is paid for through a contract with the municipality, and a joint public-private development agency (URBS) that arranges for financing and construction. URBS, which is a subsidiary of the planning institute, is responsible for financing and building major projects, including the new city and the downtown bus terminal, one of the finest in the world.

Curitiba has reinforced its transportation and development plan by an impressive array of other programs. Many residential streets have been narrowed to one lane in order to create grassy strips for neighborhood play space. Streets have been dead-ended at intersections to create a park on land previously used for the intersection. Old buildings in the city have been converted to make downtown living more attractive. Two buildings that were once a glue factory are now an arts and crafts center, a sausage factory is an international school, and the city arsenal has become a theatre.

THE SINGAPORE PLAN

Singapore has followed much the same basic philosophy in its approach to transportation and development as found in European and Latin American models. The decision was made in 1960 to provide good housing for all low-income people. A third of the population was living in the worst slums in Asia, or were squatters without homes, jobs or training. Traffic congestion in the high density downtown had reached serious proportions. But with so many people poorly housed, Singapore's policy was to move out of the congestion rather than try to solve transport problems with transport solutions. A decentralization was necessary (as in Stockholm) to provide housing for those in need, as well as to make possible the redevelopment of the slums at lower densities.

Giving first priority to housing and neighborhood development and using transportation by highway to serve a series of satellite communities at various distances from the old city turned out to be an economic and social boon. In the past 17 years the move to decentralize housing and industry into planned suburbs has made it possible to provide modern apartments for 1.2 million people in low-income families. Workers have been trained and given jobs in construction and in the supply of building materials, and Singapore's per capita income in real terms has tripled.

The first approach to reducing transport problems began with the creation of jobs for part of the labor force living in the satellite cities. Then, in the much larger city of Jurong, major emphasis was on jobs, so that all who live in this city 20 kilometers from town can live and work there if they should choose. And the newer satellite city of Woodlands, across the Island from downtown Singapore, is being designed to be relatively independent of the old city. A system of expressways makes it possible to live in one satellite city and work in another. But the choice of reducing the work trip is offered as an alternative.[3]

During the past two years the Singapore traffic restraint program has attracted most attention in reports from this now ultramodern metropolis. The program aims to reduce the number of cars entering the central business district between the hours of 7.30 and 10:15 by requiring cars and taxis passing a designated line around the center either to carry 4 passengers or to display a yellow sticker that costs $1.30 a day or $26 a month. The result has been a 74 per cent decrease in the volume of rush hour auto traffic, and the city collects $200,000 a month in license fees. Motorists refused to use the city's fringe parking lots and a guaranteed bus seat from parking area to city center, preferring instead to ride the bus all the way. Help from the school bus fleet has been necessary to accommodate the number of downtown workers who ride in from the satellite cities during rush hours.

APPLICATION TO U.S. CITIES

The foregoing examples, derived from cities in all stages of development and with different political systems and cultural backgrounds, suggests that urban man may be reaching some kind of consensus on what needs to be done about cities and how to use transportation to help rather than to hinder.

In all cases the strategy has been to approach transportation problems in all four ways previously enumerated. With regard to mobility, there have been innovations in the use of highways, bus and rail systems and automobile regulations to help carry out a program of planned growth and comprehensive renewal. With regard to the constructive use of transport infrastructure, the streets have played a major role in creating attractive urban landscapes, and in permitting a conversion to pedestrian malls and parks that have added much to the livability of the city. With respect to urban design as an aid to solving transport problems, a mix of land uses has been created in both city and suburb to substitute access for mobility. And fourthly, transportation has been used to move out of the congestion to semiself-sufficient peripheral centers associated with the center through public transport. In all cases there has been a common priority—to focus on jobs, housing and services in a decent environment, with emphasis on the needs of the lowest income families. Transportation has not been viewed as an end in itself, but as a means of improving the state of the cities.

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[3] Peter L. Watson and Edward P. Holland, "Congestion Pricing—The Exxample of Singapore." Finance and Development, International Monetary Fund and the World Bank, March 1976, p. 20.

How might the United States apply some of the lessons from Singapore, Curitiba, Stockholm, Copenhagen, and other cities to carry out strategies to overcome slums and blight and to build more suitable urban regions?

The city of Washington offers the most obvious potential. The importance of the Metro is not the possibility of a better ride, but the far more exciting prospect of building a better urban region. Heroic efforts are needed at this late date to assure that Metro will become the instrument for creating a Capital Region of the highest quality. The global laboratory suggests some of the ways to proceed.

Many cities in other countries have come to realize that solving transportation problems requires greater control over the use of urban land. There needs to be a reduction of avoidable transport through the renovation of central cities to make them better places in which to live, and through the planning of suburban growth to create more balanced communities where there are jobs as well as housing.

The programs being implemented in other countries strike a familiar note. For they are precisely the kinds of strategies that were studied and recommended for Washington a decade and a half ago.

President Kennedy in 1961 transmitted to the people of the Washington area a plan for the year 2000, with the observation that the Nation's capital, more than any other city or reigon, "should represent the finest in a living environment which America can plan and build." [4] As a means to this end the report attempted to establish the principles that should help to guide the future development of the region and to begin taking actions appropriate to the kind of community that the Washington area could become by the year 2000.

In the 15 years since that time the trends rejected by the report as undesirable have become more firmly entrenched and the policies recommended as essential to the future well-being of Washington have been largely ignored.

The plan for the year 2000 rejected uncontrolled urban sprawl, a congested and declining central city, and wasteful destruction of the countryside. Recommended were the creation of relatively compact well-planned suburban communities, the concentration of new communities in corridors radiating from the central city, the location of a major part of all new federal employment away from the center, the renewal of most of the original city of Washington, the reservation of major open spaces in the countryside, the limitation of freeway construction and greater reliance on mass transportation.

Washington has now begun, in transportation, to move in the directions prescribed. The freeway program has been drastically curtailed and public transit is being augmented by metro rail and bus. But these measures are not being accompanied by the more basic development goals and programs of the National Capital Plan or any other plan. The year 2000 Plan rejected the dispersal resulting from planless growth.

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[4] Transmittal letter from the White House dated May 8, 1961. In "The Nation's Capital: A Plan for the year 2000." Prepared by the National Capital Planning Commission and the National Capital Regional Planning Council, 1961.

The option instead was for a Radial Corridor Plan in which the greater part of the region's growth would still be in partially self-contained planned communities, but these communities would be arranged along radial routes to exploit the carrying capacity of mass transportation. This possibility was viewed as "offering the highest promise as a guide to the growth of the National Capital Region during the decades ahead."

Washington's Year 2000 Plan had this to say of transportation: "* * * improvements in this field will have the greatest effect on urban development of all technological changes." But if these effects are to be the effects that are wanted, Metro construction will have to be accompanied by a purposeful program to guide urban renewal and to channel future growth.

Washington made the decision to embrace rail rapid transit, but it let the Year 2000 Plan slip away. It has therefore embarked on only half a solution to the problems of urban growth and renewal. Yet the positive approaches to transportation and urban development in Europe and other parts of the world suggest exploiting, even now, the potentials of Metro as a means of achieving a high quality of life for the nation's capital. Transportation solutions can serve as a catalyst that enables Washington to address the basic domestic issue facing this country: how to rescue the cities from poverty, decay, and ugliness, and how to avoid transferring the slums to the suburbs.

Washington is by no means in the critical condition typical of many other American cities, yet it falls far short of the city and region that its special position warrants. There is extensive environmental pollution in and outside the city, from the neglected slums of the District to the long stretches of commercial blight in Maryland and Virginia suburbs. Metro could be a new point of departure for a regional effort to save the land, to organize suburban growth, and to redesign and rehabilitate declining inner city neighborhoods.

It is late, but not too late, to design and implement a regional development strategy leading to a city-region of many separate centers, interconnected by good transportation in a protected environment. The land around Metro stations could be the focal points for town centers and neighborhood centers that would create a new image and identity for the places that people live and work. Metro plus transportation system management could be the basic tools to begin the task of redevelopment. The financial strains imposed by Metro are less consequential to the city's future than the opportunities foregone for lack of a development strategy.

What is needed is a national commitment, once again, to eliminate the slums, to provide decent housing in good neighborhood for all Americans, and to give people the chance to get to work transforming their cities. The task is made possible, according to laboratory results from around the world, by a combination of tools: long-term urban development loans, community development block grants, the dedication of transport funds to the overall redevelopment effort, the establishment of urban development agencies and their local subsidiaries, and the creation of neighborhood development programs and regional development strategies.

Transportation problems should not divert attention from an obvious truth about cities: it is not how people move that determines the character of the community, but how they live. We cannot accept the proposition that the billions spent and yet to be spent for transportation are warranted just for the sake of transportation. Transportation must confer more than mobility. In the past it determined what the city itself would be like. But now it is time for people to decide what the city ought to be like, and for transportation to be used to help fashion that kind of community.

Washington has the greatest opportunities, but Boston, Detroit, Philadelphia, and hundreds of other cities face the greatest problems. How can the global laboratory help in a nationwide program to improve the cities?

1. The first step is to increase our knowledge. While DOT and HUD both have excellent computerized information retrieval systems on an international basis, this kind of network is not enough to keep the cities informed and to provide them with readily usable material on foreign experience. The further need is to identify significant innovations, to analyze the experience, and to make the results readily available to the cities so that there is maximum chance of the materials being seen and considered by busy officials.

2. The most elementary step is to break down the barriers that separate policies and programs for different elements of transportation and prevent the creation of an integrated transportation system. Steps are already under way toward pooling transportation resources, making highway and transit funding interchangeable, and integrating public facilities with private. We have not yet reached the stage, however, of building and managing total urban transportation systems.

3. An alliance needs to be formed between transportation and urban development. At federal level that means combining the urban development efforts of the Department of Transportation and the Department of Housing and Urban Development, and perhaps others. The $5 billion of federal funds spent annually on urban transportation could be a powerful addition to housing and urban redevelopment programs. Conversely, programs to improve living conditions in the cities can be designed to avoid unnecessary transportation problems by creating an urban environment that facilitates accessibility as well as mobility.

4. Innovative regional arrangements will have to be introduced to make possible development strategies that encompass the entire geographic area affected by today's urban problems.

5. It will be necessary to overcome the outmoded concept that trips to other countries are junkets. The most fruitful use of the global laboratory is to visit it. Government, business and community leaders should be required to see for themselves.

The Annual Report of the President of Harvard has this to say about the area of inquiry of the subcommittee on the city.

> **As other nations begin to approach or even surpass us in their economic and social development, we will increasingly be interested in studying their societies as a means of gaining insight into new ways of overcoming our own problems in the United States.**[5]

I would simply add this. If we were to take the necessary steps to increase our knowledge of what other cities are accomplishing around the world, and were to begin importing as well as exporting ideas, chances are that we could transform urban America, with less probability that other nations would surpass us in economic and social development.

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[5] Derek C. Bok, Annual Report to the Board of Overseers, 1975–76, *Harvard Magazine*, March–April 1977, p. 109.

Chapter 12

MANAGING HIGH DENSITY LIVING

By Dan Dimancescu

Urban concentration. High density living. The terms are emotionally charged. To many they mean the most negative of fears. Visions of rodents crowded into laboratory cages are conjured up. Studies are completed on the effects of high density living based on rodent behavior and alarming by-line articles find their way as feature stories on page two of the daily paper.

To others, these terms suggest constructive and desirable alternatives to a dispersed suburban lifestyle. Better resource allocation, healthier communities, and more vital urban centers are associated with an ideal balance between concentration and population density.

The management of densely settled communities itself becomes controversial when Calcutta slums or Hong Kong public housing are viewed as the predestined end-result of a policy that encourages denser urban settlement. History has reinforced this image in the stories of Charles Dickens' London, or reportorial accounts such as Jacob Riis' New York immigrant day slums early in the twentieth century. Yet from another perspective, the orderly cityscape of Stockholm, Toronto, or Zurich brings back into focus the compelling argument of those who believe that a densely settled city can be both highly desirable and eminently livable.

The argument comes to America with dramatic immediacy when we consider that a fundamental choice confronts us. With more than fifty years of concentrated effort spent evolving an urban structure that is dispersed, sprawled and antithetical to a denser alternative, we see ourselves coming to the turning point of a cycle. The last wave of change culminated in the completion, or near completion, of the federal interstate highway system. Cars and highways are the cement that ties mobile America together on the ground, yet they also became the wedge that unglued the basic vitality of the American inner city. Signals of a changing cycle are visible, however, in every major US city. Skylines have risen in the form of dense urban office cores; public transportation is experiencing an aggressive revival; and old buildings and neighborhoods are finding avid and persuasive advocates of their longevity.

The choice we are coming to, points to two extremes. Dispersal and sprawl versus concentration and increase density. Why is the choice between one or the other? The history of cities world-wide tells us that concentration resulted as a response to external threats, either man as marauding enemy or nature as an unwilling partner. Many European cities were densely settled within walls or on protected natural positions that ensured a greater chance of survival. The Japanese city was densely settled in order to conserve flat land for cultivation—a condition of survival that persists today not only in Japan but in countries like Holland where open land is scarce and valued. These dense urban centers were in turn stimulators of economic and cultural innovations. People and ideas, wealth and markets, all in close proximity were self generating phenomena.

Culture thrived in cities like Kyoto, Japan, Fez, Morocco, or Boston, Massachusetts; merchant economies blossomed in others such as Carthage, or London, England, and Osaka, Japan. The city was, and is, a highly efficient transmitter of information and wealth. This quality alone sets it apart as a unique organism of people. Yet, both young and old cities inevitably travel through stages of change that are periodically evaluated as great, good, bad, or terrible depending on the posture and perspective of the observer. The American experience is still youthful and in many ways experimental. Only two hundred years ago Boston and Philadelphia were small towns counting populations not exceeding 75,000 people. Tokyo had already reached the million mark. The world experience compacted into a crude set of urban growth stages shows most modern-day cities flowing through five phases. (1) Founding, (2) rural migration to the new city, (3) eventual decay of the older urban structure, (4) rebuilding of the infrastructure, (5) revitalization of the urban economy and adaptation of the infrastructure.

The American city is reaching the end of the fourth stage. But in the process it introduced a unique urban structure. Ignoring real or imagined boundaries, the city melted over the landscape in a diffuse, politically fragmented, sprawled, car reliant agglomeration. A restless immigrant population coupled to an abundance of land, a wealth of exploitable natural resources, entrepreneurs, and Henry Ford's production innovations devised a 'made-in-America' formula: the suburb/shopping center/downtown triade. Scenes of Los Angeles in the 1930s compared to the 1950s, or post-World War II Levittown projects epitomize the formula at work. Advertisements in the Saturday Evening Post in its heyday, or Colliers and Life Magazine punctuate vividly the social ethics and standards that were commercially stimulated during this era.

The suburban stereotype of a family cosily settled in a neat, warm and safe home with a tidy lawn far from noise, crime and pollution is both reality and fantasy depending on whether one believes advertisements or sees threatening signs on the horizon.

The thunderstorms broke in 1964 when Watts burned. And it has poured on many occasions since. Only recently did the storms culminate in the alarming realization that New York City, yes gotham, was drowning. New York City, economic capital of a trillion dollar economy, was broke.

The thunderstorms unleased themselves on a much broader horizon during the 1975 oil crisis. The realization now dawned that America was lavishing in a costly lifestyle characterized most tangibly by the 350 horsepower gasguzzler used to run errands at the local store. How long could we afford the two-car routine, the electric toothbrush, the home air-conditioning units, the 70 degree interior winter heat, the extended service lifelines to our dispersed suburban homes? How long can we afford a swimming pool behind every hot climate home? How long can we afford to keep spreading chemical fertilizers onto lawns? The oil crisis boldly underscored the question "Do we really have the resources to go on like this?"

The external dangers that caused cities to build walls and concentrate their populations within them, the scarcity of land that forced communities to build up in dense patterns or to collect around a water source, is the same threat that is forcing America to reconsider its development strategies. Realizing that even air is a finite resource and that everything flows from this understanding, we must close one chapter and start a new one. The one we close ends an era in which the automobile was a dominant determinant of urban settlement. The one we open, the fifth stage, will require that we retrench and allocate our energy and resources far more efficiently. It is in this context that the MANAGEMENT OF HIGH DENSITY LIVING becomes an issue with immediate implications for the United States.

THE COMPARATIVE LESSON

A number of strategies, applied are a useful measure of what is implied by the phrase: management of high density living.

Strategy One: Make full use of scarce resources such as land and energy

Strategy Two: Create precise boundaries of urban development

Strategy Three: Determine precise standards of residential and industrial density as well as mixed-use policies

Strategy Four: Move people fast and cheaply

Strategy Five: Consolidate political jurisdictions

Strategy Six: Maximize the free flow of information both formally (education) and informally

These six strategies, explained below briefly with pertinent illustrations from various cities, will provide a framework for making a comparative performance chart between Moscow, Tokyo, London and New York.

Strategy One: Make full use of scarce resources such as land and energy

It was once calculated, half seriously, that New York City could pay all its new housing bills by assigning all its parking lots and vacant land to a land-farm bank. By applying for federal agricultural subsidies not to plant this fertile resource it could derive a large new source of income. The staggering amount of land turned over to cars is punctuated by Los Angeles where the proportion is almost 75 percent of the total land area. Tokyo at the other extreme uses only 35 percent of its surface for car related needs.

The building and maintainance of America's asphalt surfaces represents an almost incalculable cost. Related to it is the even larger cost of travel along these roads as people move between dispersed points for shopping, home, recreation, work.

Vacant land has economic and psychological effects that are detrimental to real estate values and to the cohesion of neighborhoods. Vacant land impose a larger tax burden on the community. In Tokyo vacant land is a rarity by virtue of scarce land supplies. In Moscow open space is used statistically to show a high per capita availability of recreational space; it is the highest in the world. Esthetically it leaves a lot to the imagination.

Used efficiently, vacant land and underused parking lots are more than adequate in supply to allow a denser settlement of people in

American cities. The gain would be measured in the reduced cost of travel to more distant homes.

Strategy Two: Create precise boundaries of urban development

A firm and tangible outer boundary of development becomes a critical device to induce optimal land-use within the defined metropolitan zone. The absence of a boundary creates a no man's land of speculation, uncertainty, inferior planning and costly "catch-up" services. America is repleat with examples of housing projects deposited into the center of farmsteads and of commercial strips spontaneously generated along busy arteries. Each challenges the possibilities of rational resource allocation.

In Toronto, Stockholm, or Moscow, the urban edge is religiously determined and protected. The firmer the edge is established, as with Swiss cities, the more creative becomes the method of expansion within the prescribed limits. The dismaying effect of non-existent limits is most visible in Denver. Leap-frogging real estate speculation absorbed vast open-space acreages without forethought. For generations of future Denverites the unique relationship between city, farm and mountains has been forever blurred.

Strategy Three: Determine precise standards of residential and industrial density as well as mixed-use policies

Throughout the modern urban world, the same sight re-appears as though carbon-copied on a grand scale. Large-scale high-rise residential blocs are constructed in series side by side; examples abound: Co-op City in New York, Tama Plaza Danchi (and others like it) in Tokyo; Yugozapede (and others like it) in Moscow. In Paris, Bucharest, Vienna, Madrid, Stockholm, the same is true. School and shopping centers are physically segregated in their own structures, work places are a commuting distance away and spontaneous entertainment places are few and far between. Overall densities per acre are generally low, yet the density per building invariably is high. These projects are uniformly bland in appearance.

Why are successful formulas of the past ignored? In Tokyo, in New York, in London, in Paris and elsewhere there are numerous communities and neighborhoods of similar densities as the newer housing projects, yet they are radically different in character both physically and socially. Buildings are more densely organized, the scale is low, the interrelationships between homes are more intricate being made up of paths, small gathering places, private corners. The atmosphere is both communal and discreet. Schools and shopping places are integrated into the overall physical setting. New communities such as Thamesmead in London emulate these standards. Revived neighborhoods such as Society Hill in Philadelphia, or the South End of Boston, Five Points in Denver, or Capitol Hill in Seattle highlight the viability of an older urban lifestyle brought back into the twentieth century. Tokyo is ample with examples as is London.

These residential areas are characterized also by the mixed-use of facilities for commercial or other purposes and by their integration into a broader city environment of industrial sites, parks, shopping districts and educational plants. Unlike many new districts where all the parts are functionally separated, in older communities the parts are interwoven.

In addition by mixing age and income groups, an indirect social benefit is derived. The pathology of old-age loneliness is reduced, crime and vandalism is diminished, and a more vital sense of community allegiance becomes a psychological cornerstone. Creating such environments necessitates strong guidelines. Density limitations need to be imposed. In London there has been a long-standing law that prohibits residential densities to exceed 230 people per acre. In New York densities in rich and poor areas climb as high as 500–600 per acre. In Tokyo they rarely exceed 100 per acre. Height and architectural standards are imposed. In Geneva the effect of rigid urban guidelines is tangible and pleasing. Even though it is miniscule by giant city measures, Geneva thrives like a metropolis within its narrow confines.

Management of high density living requires such guidelines. Once imposed, they are quickly accepted by free market forces which adapt to lateral pressures rather than to the American tradition of high-rise speculation.

Strategy four: Move people fast and cheaply

Speed and cost-consciousness determine their own particular transportation balance in a densely settled community. In Tokyo, in London, even in Moscow where boulevards and streets are ample in size, the car does not dominate as a primary means of movement. Tokyo is served by a vast rail system of local and express lines, a tightly defined highway network, a large roving fleet of taxis, and a local bus system. Moscow relies almost totally on subways and buses leaving the roads to trucks and an inordinately small number of cars. London's subway lines are superbly laid out to serve the city. This contrasts starkly with Los Angeles which is almost fully reliant on cars, or Dallas and Houston where bus service is considered as a poor-man's misfortune.

The example of other metropolitan areas, whether French, Swedish, Japanese, German or Russian, argues emphatically that public transportation can be fast, cheaper than a highway dominant alternative, clean and comfortable. America need only adapt the technology.

Strategy five: Consolidate political jurisdictions

Metropolitan New York is a political nightmare. Hundreds upon hundreds of jurisdictions manage bits and pieces of the metropolis. The powerful ones such as the Port Authority steam-roll forward while others, smaller and weak, resist change and absorption into a more rational whole.

Moscow is guided by the Supreme Soviet and administered by the Moscow Soviet (or council). Tokyo is governed by a Metropolitan Government in an uneasy association with the National authorities. London, similarly to Tokyo, is managed by directive from national ministeries and administered by the Greater London Council. Below it borough council and an inner London educational authority have jurisdictional responsibilities. While each shares a common feature of being a capital city deserving of special national attention, they depend on the national/local partnership as a source of financing and policy power. This feature is not shared by New York or most other U.S. cities.

A strong and powerful hand will be required to assist American cities in the rationalization of political jurisdiction. Otherwise, the cost is continued duplication of effort and a tedious task of managing regional needs.

Strategy Six: Maximize the free flow of information both formally (education) and informally

At heart of a city's cultural and economic vitality is a necessary flow of information. The modern industrial economy relies almost fully on this flow for its survival and growth. The city performs the unique task of maximizing the opportunities for flow through its diversity, its concentration of people, its cultural and economic activities and its interrelated links with other areas of the world. Yet, a comparative overview divulges distinct ways in which the flow is enhanced or inhibited to the advantage of the governing authority.

Information can be roughly categorized into three essential types. (1) Survival information required for an individual or an entity to subsist in the city; (2) political information that is essential for an individual or group of individuals to affect change; and (3) cultural information which is experimental and open-ended in its free evolution of ideas.

There are many ways in which the flow can be managed. Laws are the most obvious method. Social ethics may restrain other kinds of information. Architecture can itself be inhibiting if it reduces the potential for human contact and interchange.

In Moscow, the flow is severely constrained on many different levels. The absence of telephone books is an obvious method of restraining spontaneous contact. Rigid architectural design facilitate easy observation and reduce the chances of informal gatherings. Places to meet over coffee or food are few. In Tokyo, on the other hand, information flows intensely. Coffee shops abound as meeting places. Bookstores abound. Commercial billboards reach saturation. Formal education is fervently indulged in to such a degree that Japan has the highest literacy rate of any country in the world. London thrives on the culture of pubs, in the informal communication lines of The City (the financial district), the universities and museums provide easy access to ideas. Every neighborhood has its favorite gossipy store-keeper who attends to everyone's business and is an integral part of the information flow required by a thriving community.

While the flow is probably as intense in New York other factors are inhibiting. The literacy rate is lower. Neighborhood architecture and layouts are not as free-flowing as in London and Tokyo where the absence of street level crime gives freer reign to informal meetings at all hours of the day.

Inherent in a process that seeks to maximize the flow of information is an equal and opposite right of an individual to privacy from messages, signs, meetings, noise, and solicitations. In the densely settled community a delicate balance between privacy and accessibility is required. In Moscow this balance is manipulated with a heavy hand. In Tokyo it is feverishly sought and cherished when found. In London the delicate balance seems to have been found in the attitudes of the culture.

Measured, albeit arbitrarily in some instances, on a success scale of 1–100, these strategies can be compared city by city. The chart offered here is coined as a Management of Density Index.

MANAGEMENT OF DENSITY INDEX

Category	Metropolitan region (ratings: 1–100)			
	Moscow	Tokyo	London	New York
Management of density index				
Use of resources:				
Land	50	70	60	40
Energy	70	80	70	40
Urban boundary	100	95	0	75
Density and mixed-use	80	90	100	15
Movement	95	90	85	80
Political consolidation	100	75	80	20
Information flow	20	95	90	85
Total	535	685	630	330
General qualitative index				
Economic vitality	70	90	70	90
Social welfare	95	90	85	40
Crime	95	95	85	20
Pollution	50	25	75	60
Total	310	300	295	210

The low bottom line for New York is endemic of conditions in many American cities. The discrepancy between the country's overall wealth and power and the threatened state of its inner city culture and economy is dismaying. It suggests a dire and pressing need for more intense direct efforts by the federal government to revive and rehabilitate inner-city America.

Years of work and billions of dollars in expenditures lie ahead if a determined urban development agenda is pursued. Should the guiding assumption or judgment be made that scarcity of resources is a major determinant of urban policy, the probable range of solutions will involve policies inviting greater density of settlement.

Are Americans prepared for this eventuality? Many attitude polls indicate a significant shortcomings in people's perceptions of urban life.

Ask an American: "What do you think of cities?" and rate the answer as positive or negative. The best judgment of this writer is that a large majority of Americans will answer with a negative bias.

Ask an American: "Could you define clearly what you think a city is?" The answer will be confused, general and lacking insight.

Ask an American: "Do you think New York or Tokyo is a better place to live?" The answer is likely to be New York because Tokyo is so crowded and polluted. "They push people into subways there!"

Ask an American: "If you lived in a suburb would you be willing to pay higher taxes to help defray the cost of services in inner cities?" The answer would be a rousing "No!"

Ask an American: "Could all Americans really count on realizing the traditional dream of a home, a car, and a lawn?" The answer is apt to be "I've never really thought about it."

Ask an American: "Do you think 100 people living on an acre of land is too many?" The answer is apt to be that's what it's like in Hong Kong, you've got to be kidding.

The American culture has never really come to terms with cities. The school curriculum at the primary and secondary level does not focus on the city as a subject in its own right despite the fact that 80% of Americans are directly affected by an urban lifestyle. The mass-media culture highlights suburban lifestyles as desirable because that's where the money is, and highlights inner city tragedies because the headlines are there.

Perhaps the first item on a federal agenda of urban change should be efforts to stimulate an exploration of the city. Curricular projects, media studies, and a broad educational campaign to understand the urban heritage must precede any concerted effort to create legislation and programs.

The value of urban economy needs to be described and understood. The meaning of an urban lifestyle and its implications require description. The meaning and value of an inherited resource of buildings and urban traditions need appreciation and re-evaluation. Television programs such as Sesame Street and the Mary Hartman series focus consciously or subconsciously on this need. Museums like the Children's Museum in Boston, or the Brooklyn Museum in New York, have tackled the problem, yet a multitude of others haven't the resources or the will to focus on the city. Under Edmund Bacon, cities like Philadelphia used sophisticated methods to educate its public over a two-decade period. Boston and the Prudential Insurance Company teamed up to produce a significant interpretative show called "Where's Boston" which has been seen by millions of residents and visitors. And during the late 1960's, a flurry of crisis-minded mass-media programs alerted American attention to the plight of cities, only to be drowned in a calculated lack of interest by the federal executive government.

The next-round must be long-lasting and penetrating in its perception and understanding of the problem before programs and laws are forged into shape. Education of America, and in particular its youth, is a paramount first step.

Chapter 13

WHAT MAKES A CITY LIVEABLE

By Wolf Von Eckhardt

As we look at the successes of cities abroad, the grass always seems greener on the other side of the ocean. And the reason is simple. If you want to have a good lawn, you cut it, you rake it, you seed it, you fertilize it, and you roll it. Then you cut it again, and you rake it, you seed it, you fertilize it, and you cut it again. You do that for about 300 or 400 or 500 years, and, with luck, the grass will grow greener.

In short, one secret of the relative success of European cities is a long urban tradition—a tradition that goes back to the Greeks and Romans. It is a tradition that holds that cities are the focus, the essence of civilization, the pride and joy of a whole nation, indeed of humanity, and worthy of protection.

In this country, we don't share this tradition. Most of our cities were conceived as temporary encampments. We always felt, go west, young man. The Nation as a whole was, as we all know, rather anti-city, and still is. Jefferson held cities in contempt; he felt they were evil. President Ford, I think, thought much the same when it came to helping New York.

The European attitude toward cities was illustrated in World War II, perhaps the most barbaric war ever fought. Although it was the first war deliberately to include civilians and children, there was a tacit agreement between the Nazis and the British that Heidelberg and Oxford were to be spared, because they had no strategic value and because both were beautiful cities and part of Western culture.

The devastation of war also helped to modernize European cities and to start them earlier on the track that I hope we are going to follow in this country, which has been spared the devastation of war.

The tradition of viewing the city as the center, the heart, and the pride of its region and of the Nation has several implications. The city was the religious center, the site of great temples and cathedrals. Cities were often holy places. They were and are the centers of learning, of great universities. In this country, we adhere to the theory that you can educate people better in the green countryside, undisturbed by the distractions of urban life. Even where we have urban universities in this country—Chicago, Columbia University in New York City, or George Washington University here in the Capital—there is often conflict between town and gown. The universities want to maintain and expand their own, isolated, exclusive turf.

In Europe, government has always been in the urban centers. And that, in turn, made the urban centers, the seats of kings, princes, and potentates, the centers of culture. The kings, princes, and potentates wanted beautiful gardens, collections of paintings and sculpture, theater, music, and dance for their amusement. So the cities became the catalysts of the arts. They became national treasures. They are looked upon as a national responsibility. Everyone in Europe, even the people out in the villages, gladly pay taxes for the ciites to flourish.

One nice example of this is in Germany. The Federal Government, every year, holds a national flower show. The city that has done the best job in beautification that year is rewarded by being selected as the site and host of the flower show and festival. The selected city—last year it was Mannheim, before that, I believe, Stuttgart—of course, becomes even more colorful and festive. It plants even more trees, shrubs, and flowers. It builds even more parks and playgrounds. The flower show lasts only a few months, but the city blooms for decades.

Not all cities in Europe were the seats of kings, princes, and their palaces. Some were entirely free and independent, like Venice and the Hanseatic towns. And, on the whole, the residents of cities, the citizens, enjoyed much greater freedom than people in the countryside. In the countryside agricultural workers were often serfs. In the cities you had merchants and craftsmen with their powerful guilds and their inestimable contribution to culture, civilization, and technological development.

In all respects, you see, the city held status and prestige. One exception, perhaps, is England, where the country house was more important than the town house. But everywhere else, for nobility and citizen alike, the city was where, as Aristotle said, people came to live and stayed to live the good life.

The consequence of this is a vast difference between the attitude of Europeans and their government and Americans and our Government. In Europe we would never see a news story such as we saw in the New York Times last Saturday, that out of 16 cities that newspaper checked, 15 are deteriorating and lowering—deliberately lowering—their standard of services and the quality of their life. Atlanta is feeding lower grade foods to the animals in its zoo.

In Italy, I daresay, or even in Albania or in Romania, people would never stand for that. The zoos in these countries are a matter of national pride. People want zoos, and parks, and waterfronts well taken care of. People know that their cities are their largest investment. They know that if you let this investment deteriorate, you are likely to lose it. If you feed the animals in the zoo poor food, they die. If you let the streets be full of potholes, the whole country, the whole national economy gets a bumpy ride.

It is not so much Europe's castles and cathederals that we need to envy. It is the politics of the European "polis." The status of Europe's cities in European public life, public finance, and public affection. An example is historic preservation. Europeans have never had cataclysmic urban renewal, as we did in America. They never just went and tore down whole blocks of old buldings. Nor would they permit whole blocks of old buildings in the inner city to be abandoned. There is fairly similar legislation regarding historic preservation and historic continuity in all European cities: the federal, state, and municipal governments, share the responsibilities and share the cost of historic preservation, adaptation, or recycling. Government on all levels is determined to maintain urban continuity. This sense of responsibility toward worthy buildings and townscapes of the past is particularly strong in the Socialist countries.

In Europe the city is not a place to be exploited, to be mined for profit and then abandoned. The city—to generalize broadly—is treated as a garden. When something dies or rots, you weed it out and seed new plants. You cultivate, prune, and graft. You see to it that, like a garden, the city constantly renews itself, that it is well tended, and growing, and a pleasant place to live.

That leads us to—I mentioned the German flower shows—that leads us to little things that are almost unthinkable in the United States. For instance, only a few years ago, I was walking through one of Stockholm's city parks. There was a delightful kindergarten, a public day care center. The kids were painting with fingerpaints, building with huge wood blocks and playing in an old truck that was made safe for them. The kindergarten teacher told me she was employed by the city to take care of any children whose mothers leave them to do their shopping in downtown Stockholm. For a krona or two, the children also get lunch. The kindergarten with trained teachers is a free service provided by the city.

Now, Sweden is rich. But so are we. Americans however, have just begun to talk—but done little about—the quality of urban life, the public happiness, as August Herscher calls it.

Another example of how to make city living more pleasant: When you get lost in Paris, all you have to do is look at the nearest letter box. On the top of the box is a map of the immediate vicinity. It says, "you are here"—vous etes ici—and it orients you.

Traveling in Europe, it's easy to get information on what the city is about and what is planned for the future. Wherever you are—in Rotterdam or in Kassel or Lyon—you find that in the lobby of city hall there are displays of plans, models, and illustrations of the history and the development plans of that city. Every effort is made to keep citizens informed and interested in the physical as well as political and economic aspects of their city.

They've kept the streetcars in most cities—particularly, again, in the Socialist countries. I said to the city planners who showed me around, kidding them, of course, "You lousy, poor Communists, you don't have money to build a decent subway like we're doing." They answered: "No; isn't because we're poorer. Its because we are smarter than you lousy, rich capitalists. A subway is a very, very heavy investment. It's set in concrete. You can't ever change it. All you can do is pay and pay. Our streetcars are light and flexible. If we build a new suburb, we just add another line, and have good transportation before people even think of buying an automobile. If the streetcar gets in the way downtown, we put it in a tunnel." And that's what they're doing in Prague, Bucharest, Budapest, and Sofia.

We had planned to do the same in Washington. But then, the auto and highway lobby came and said no, that was a bad idea. We sold our trolleys to Zagreb and choked the city with cars. I might add that despite the streetcars and good public transportation, most European cities are also choking in automobiles.

Another success abroad. If you go to Amsterdam, you find little electric cars. They're called Witcars, and collect at some 35 stations, like taxi stands. The little cars are two-seaters and you can use them by unlocking them with a magnetic card which subscribers buy. You drive your Witcar to another station, close to your destination, and park it under an overhead rail which automatically recharges the battery. In a few years Amsterdam hopes to have 1,200 of these drive-it-yourself taxis in 150 stations. This should substantially reduced traffic congestion.

It struck me, when I saw this, how backward and how stagnated American cities are. We are building a subway in this town, and I think it's wonderful. But it's no technological improvement over what we had 50 years ago or 70 years ago. In fact, Mr. Hall's underground in London was built by American engineers almost 100 years ago. There has been very little improvement in urban hardware since. We have more automobiles and more aircraft noise, more air-conditioners and higher buildings. But where are the amenities? Where are the new waste-disposal systems?

Europe had the advantage of being protective of its cities in more ways than one. Back in the Middle Ages, cities were protected by walls. This had an important social and sociological result. There was built-in togetherness. People had to cooperate in these walls. It was a productive cooperation.

It had this further advantage. When the walls were no longer necessary, they were torn down. They were replaced by lovely parks or great boulevards, like the Ring in Vienna. People in Europe recognized very early, earlier than we did, that a city—particularly a densely built city, as the medieval city was—needs lungs, needs a place to breathe. In Paris, in Vienna, and in all the old cities, the former city walls provided space for circumferential transportation routes and parks. It was often used for both. It offered opportunities which our city planners didn't have. American city planners are struck with our insipid grid, which invites boredom. The grid is convenient for real estate developers who are selling parcels. But it does not make for good feeling in the city.

The most important development resulting from the devastation of wars occurred in London. As the Nazi bombs rained on them, the Government had to consider redistribution of the industrial population.

And although Ebenezer Howard and his friends had been agitating for decades for a rational population distribuiton in garden cities, Frederick Osborn had done a superb job making friends for the idea. Hitler did more for the new towns movement than they did, simply because he forced the issue. In 1946 the British Government decided on a planned distribution of industry in satellite towns around London. This is a policy which we in America simply have to adopt if our cities are to survive.

The decision to plan the development of the London metropolitan area had one other effect. Sir Patrick Abercrombie's plan provided for a green belt around the city; a conscious decision that there shouldn't be indiscriminate sprawl into the countryside, as we have it in this country. The British protect the city with a belt of greenery and low densities. There has been much discussion in this country about this among American planners and only experts and idiots assert that it doesn't work. It does work. It could just as well work in this country. We have zoning; we have scenic easements; we have open-space acquisition funds. If these tools are put together under a regional national plan, we can protect our cities from sprawling all over and sapping their energies and we can reduce commuting and polluting the air.

The other effect—and I'll just mention it briefly—was that city centers could be rebuilt. In Coventry the whole center was bombed out. It was a terrible tragedy. But Coventry seized the opportunity to rise again as a new kind of city for the motor age, a pedestrian downtown center surrounded by parking garages. Doing business in downtown Coventry is a delight.

Other cities have followed Coventry's example and wherever I have seen it keeping the cars out of the shopping area has been a great boon, even though many American businessmen still don't believe it. They believe it works only in suburban shopping centers. The logic of this reasoning escapes me.

Obviously, pedestrian malls—downtown or suburban—need parking and they need something pleasant for people to do or experience besides spending money. Washington's new so-called streets for people have no parking and nothing more pleasant to do but sit on granite blocks, broil in the sun, or shudder in the wind. I am afraid their poor design will give a bad name to the whole idea of giving streets back to people.

I wish Washington's designers had looked at Rotterdam where streets for people were built right after the war. Munich has followed—the Munich medieval inner district is an absolute delight. There, I think, they did it right. They waited until the subway was finished, until they had alternate ways of transportation. They waited until they had a system for cars to circulate around this inner, medieval part of the town. And then they did up the old central business district very prettily; not with granite blocks and conversation pits, but with a lot of flowers, potted trees, and outdoor cafes and fountains, moving water.

The great thing in Munich—the ideal for any inner city—is that you can hear the fountains play. You can hear the sounds of trickling water. You know you're in a nice place. You love your city and city life and tell your Congressman to vote for city funds.

Another very, very good example—because it combines this downtown revitalization, historic preservation, and regional planning to a degree that we haven't seen anywhere else in the world—is Warsaw. The way it came about was that, as we all know, Warsaw was something like 93-percent destroyed in the war. It was terrible. Even after the city was bombed to total ruins, the Nazi storm troopers came in and, as a birthday present for Adolf Hilter, even blew up the basements. Then the Soviets came and did their best to annihilate the city altogether.

As you probably also know, the British trained Polish city planners who had escaped during the war and parachuted them back into Poland to prepare for the rebuilding of their country. When the war was over the Polish planners met with Russian city planners. There they met in Warsaw, looked around them, and they decided it was impossible to rebuild the city again. They debated where a new city might be built. While they debated, they looked out the window, and they saw the people coming back, digging out their houses with their bare hands. The impossible happened before their eyes. People just simply came because they loved their city and refused to believe that their city was dead. They wanted to live on the foundation of their heritage.

There is a very important lesson in that, Mr. Chairman. The lesson is simply that sociologists who say "the city is dead," "we don't need it any more," and "environment has no influence on human behavior," simply don't know what they are talking about. The notion that there is or can be a new suburban culture is nonsense. We need cities. We feel cities are the basis of civilization, and the Federal Government has to do far, far more than it's doing to help the cities adjust to changing economic and technical circumstances. What is required is not just money—it is faith and example. It is the generating of a spirit that is pro-urban rather than anti-urban.

Chapter 14

NATIONAL URBAN POLICY IN EUROPE

By Peter Hall

INTRODUCTION AND SUMMARY

1. In this essay I shall develop three theses:

First, that there is great variation among European nations in the matter of national urban policy. Some (France, the Netherlands) have tried to develop a comprehensive national policy for urban development. Other (Britain, Sweden) have not, but have instead developed a combination of regional policies and local planning policies that create an implicit urban policy.

Second, that policy instruments are equally varied. Some countries rely largely on incentives to private individuals and firms to make decisions, plus central control over public investments. More rarely, some try to use negative controls over industrial location or land use.

Third, that despite these conscious attempts to affect urban change—and in some cases, paradoxically, because of them—many European urban areas are now displaying tendencies long familiar in the United States: loss of population and employment in the central cities, suburban decentralization, and (though this is still tendentious) social polarization.

SOME BASIC DISTINCTIONS

2. A "national urban policy" is rarely developed as a single policy bundle; more commonly, it emerges over time through a series of incremental measures. These may be taken either at central government level (which, in the case of federal governments such as West Germany, may include federal and state levels) or by local government, working within some framework co-ordinated by central government.

3. In looking at such evolutionary processes, it is useful to make an elementary distinction:

National/Regional Planning is developed centrally; it seeks to promote the development of lagging regions through such devices as public expenditure on infrastructure, location of state or quasi-state enterprises, or incentives to private industry. It may also involve a centrally-administered scheme of restrictions on industrial development in certain more prosperous regions or areas. Such regional policies are commonplace in almost every country, including the United States. The point is that coupled with local planning strategies, they may constitute an implicit national urban policy. Indeed, the emerging received view in the United States seems to be that the federal aid to the "rimland" states of the south and west has constituted such a policy, which has weakened the older larger metropolitan areas of the north east and north center to the benefit of the smaller emerging areas of the south and west.

Regional/Local Planning is usually developed regionally or locally, perhaps with some central co-ordination; it seeks to order the pattern of physical development either through direct public investment, or through land use controls over the private developer. It includes the promotion of new towns and similar large scale developments as well as negative controls over the development of land. In some countries, such as the United States, such planning is conducted without any measure of strong central co-ordination. But when such central co-ordination is present, through a central department with powers of review and monitoring and/or financial incentive, again an implicit national urban policy may emerge.

4. With such a distinction in mind, we can now review the development of urban policy in selected West European countries. Some general conclusions can then be drawn.

GREAT BRITAIN

5. In Britain, there has been a fairly consistent national/regional policy, with variations in strength and detailed emphasis, since the end of World War Two. This has sought to promote the growth of industry in the older industrial areas (South Wales, Merseyside, North East England, Central Scotland) at the expense of more prosperous areas such as London and the South East, and the East and West Midlands. The main means have been a battery of financial incentives to private industry (generally in the form of investment grants or allowances) but from 1967 to 1977 also including a direct subsidy to the employment of labour, the Regional Employment Premium; differential public investment in infrastructure (especially transportation, housing and urban renewal) and, importantly, controls over new industrial and office development. Industrial development certificates have been required for new industrial development and for extensions to existing plant (above a certain modest size threshold) since 1945; since 1965, a similar scheme of office development permits has operated for the South East. These controls have been operated more strictly at some periods (the late 1940s, the 1960s) than at others (the 1950s); but overall, between 1945 and the early 1970s it is estimated that through a combination of positive and negative measures about one million new jobs were created in the so-called assisted areas.

6. The effect of these measures, undoubtedly, has been to reduce the rate of net migration from these areas—the so-called Drift to the South. (Indeed, the South East region—including London—has had a net outflow of population by migration since the mid-1960s, and a net outflow overall since the early 1970's). So they have helped a parallel set of policies: the regional/local plans which have sought to control the continued growth of the Greater London and Birmingham conurbations. By powers given in the historic 1947 Town and Country Planning Act, local authorities have been able to make effective land use plans for their areas and then to enforce these plans through controls over land development, unconcerned by any threat that they would need to pay compensation for lost development rights. They have used these powers to create wide green belts around the larger urban areas. Thus, as population grew and urban areas thinned out, urban development has been decentralized: the major agglomerations did not grow at all, and the new developments took place in small and medium-sized towns on the far side of the green belts. This process

has been guided wholly by local action, albeit within the framework of regional strategies created at the center, and in accordance with local plans that require central approval before they become effective.

7. The British new towns occupy a special place. There are currently 28 of them in Great Britain, and they now house nearly one million new people. They are built by public development corporations funded by central government, under special legislation: the New Towns Act 1946. They are widely visited and admired in other countries as well as in their own. But it is important to stress that they—and the parallel programme of planned expansions of older towns—account for only about 3 per cent of new housing in the post-1945 period. Far more important, in the overall picture, is private building for sale in suburbs attached to small and medium-sized cities.

8. The new towns, as is widely known, have achieved a remarkable degree of self-containment. They were deliberately located outside the commuter range of big conurbations—though, over time, the commuter fields have often extended to embrace them. Employment growth and population growth were carefully synchronized. So journeys to work are short. But outside the new towns, the general pattern is that new development has resulted in increased commuting across local authority boundaries—particularly since population has declined more rapidly than employment. This fact led to a shift in thinking: in the Strategic Plan for the South East of 1970, latterly confirmed in a 1976 review, the stress is on growth areas containing up to a million people, and embodying a variety of differently-sized urban settlements (perhaps including new towns), with relatively short commuting distances.

9. During the 1950s and 1960s, then, people—and more latterly jobs—have been leaving the big urban agglomerations. All the large cities—London, Birmingham, Manchester, Liverpool—are suffering large population and employment losses. Between 1961 and 1975 inner Manchester lost 20 per cent of its population; inner Liverpool lost no less than 40 per cent. Greater London has recorded a half million loss in manufacturing jobs in the period since 1961. Some of these losses resulted from conscious public policy to decentralize. But the process has gone further than was intended. In particular, there has been a rapid contraction of inner city employment opportunities due not only to outward movement, but also due to plant closure. It is estimated that of the massive loss of manufacturing jobs in inner London, over 40 per cent was due to this cause. For one reason or other—including comprehensive urban renewal by local authorities, including compulsory closure of plants—these firms have simply gone out of business. Since September last year, it has been official British government policy to try to reverse this flow; the present means are not yet announced, but are rumored to involve a reduction in the growth rate of some new towns, and even the abandonment of one. (One new town, Stonehouse in Scotland, has already been abandoned in favour of large scale urban regeneration in inner Glasgow). No one is entirely sanguine of success.

10. The outward flow may even have some beneficial results. Urban containment, through green belts, undoubtedly caused many local authorities to try to rehouse their populations in public housing within their own boundaries, leading to a proliferation of ill-conceived high-rise schemes in the 1960s. Such developments are now almost uni-

versally condemned, but they stand as a monument to ill-conceived policies. Additionally, down to the mid-1960s at least, people were still leaving the conurbations while employment was concentrating there—leaving to a large increase in long-distance commuting to office jobs in London's central business district, for instance. London's commuter field has thus extended, and more than half a million enter each day from surrounding areas—about half of them bound for the CBD. As increasing numbers of office jobs decentralize to towns in the surrounding ring, such as Reading or Southend (each about 40 miles from London) the commuting burden should decrease. It is still official government policy to encourage this process through office development permits and the propaganda of the Location of Offices Bureau, though some are now arguing that it should be reversed.

11. The reasons for the outward flow are as yet ill-understood, and are as vigorously debated as in the United States. One reason is a preference—shared apparently with the majority of Americans—for single-family housing at moderately low densities. Doubts about central city educational quality may well be another. Jobs are leaving because outside industrialists find lower rents, a more stable and contented workforce, better access to the national highway system, and better working conditions in smaller towns. The larger cities will not find it easy to compete on these grounds, even if they get extra central government aid.

FRANCE

12. France shares with Britain a vigorous national/regional policy of decentralizing people and jobs from its congested capital city to its less developed regions—in this case, the so-called désert français of southern and western France. Since the 1950s, industry has enjoyed a series of financial incentives to relocate from Paris, where a quite disproportionate part of all industrial and commercial activity is concentrated. In addition, France like Britain has sought to regulate new industrial and office development by a series of permits. The result has been considerable decentralization from Paris—but most of it has gone not to the remoter regions, but rather to locations less than 150 miles from the capital where medium-sized towns like Rouen, Orleans and Troyes have benefited.

13. France, is however distinguished from Britain in having an explicit national urban policy. Since 1965, eight provincial cities (or in some cases, pairs of nearby cities) have been selected as "balancing metropolises" (métropoles d'équilibre) as counterweights to Paris. They are in fact the major provincial cities of France, and investment has been deliberately concentrated on them under the four-year indicative plans which have been a central feature of French economic development in recent decades. Ambitious plans have been prepared for physical development in and around these cities, and the effect on the ground is certainly remarkable.

14. Fundamental to this policy is the concept, first developed in 1955 by the French economist Francois Perroux, of the growth pole. A geographical pole on centre of growth, it is argued, will contain a set of growth industries which through linkage will create spontaneous and self-sustaining development. It is too early to judge the success of this policy. The major provincial metropolises are now planned to grow

much faster than Paris, in relative terms, for the remaining quarter of the century; and current trends indicate that most of them may well achieve this. But one major problem concerns the spatial impact of the growth pole. Studies so far indicate that this is a very limited—in effect, to the immediate commuter field. And, in a period when retrenchment in government expenditure is the rule, a major problem must be the competition for investment funds between the provincial metropoles and the development in and around Paris.

15. For, at the regional/local scale, there are also ambitious plans for the development of Paris. In 1965 a conscious decision was taken to scrap an earlier plan for Paris which, British fashion, has imposed physical limits on the growth of the metropolis. The new plan was based on the assumption that provision must be made for a growth of the Parisian agglomeration from 9 to 14 million by the year 2000, due in large measure to a high rate of natural increase. To accommodate this growth it proposed a radical and highly audacious solution: a series of eight new cities, housing up to half a million people each, with associated new industry, offices, higher education and public services. These would be arrayed in two giant axes or corridors, each 40–50 miles long, forming east-west extensions of the existing Paris agglomeration on either side of the River Seine. New radial and orbital expressways, totalling 540 miles, and an entirely new rapid transit system totalling 156 miles, would tie the new cities to each other and to the historic centre of Paris, via new nodes of high-density employment and housing developed through large scale urban renewal in the older suburbs at major transportation interchanges; these last would constitute in effect "new towns intown", located between the historic core of Paris and the new cities at the periphery. Despite reductions in the planned scale of growth due to the fall in the French birth rate, these plans are being vigorously implemented.

16. It is not surprising that the French census of 1975 shows that Paris like London is now decentralizing. The historic city of Paris—the area, enclosed by the new ring expressway (Boulevard Péripherique), which had its mayoral elections last month—lost 300,000 people between 1968 and 1975, while the ring around gained 900,000. The city now accounts for a little more than one quarter the entire population of the Paris region—2.3 million out of 9.9 million. And, again like London, the city has suffered a massive loss of manufacturing industry in recent years—counteracted, so far, by gains in white collar employment in the CBD. Some other large French cities also lost populations to their surrounding suburban areas between 1968 and 1975, but (pending a more complete analysis of census results) it appears that the process is as yet by no means as general as in Britain or the United States.

THE NETHERLANDS

17. A few hundred miles to the north, the Netherlands have been distinguished for two decades by a highly interventionist policy both at national/regional and at regional/local scale. National-regionally official policy, vigorously pursued since the mid-1950s, has been to decentralize people and employment from the congested western region of the country to distant peripheral regions such as Groningen (the far north-east) and Limburg (in the extreme south). This policy has

been based solely on transfers of government employment, plus incentives to private industry; only very recently has the government introduced curbs on the freedom of the industrialist to locate where he likes, yet the policy has been so successful that the west is now a region of out-migration relative to the rest of the country—though with a continuing surplus of in-migration from abroad. In a recent report—the Third Report on Physical Planning in the Netherlands—the Dutch government declared that it was no longer official policy to encourage movement out of the west.

18. One reason for this is a changed demographic background. Like every other country in western Europe (including Great Britain and France) the Netherlands has experienced a sharp recent fall in the birth rate, and future population projections have ben scaled sharply downward: 200,000 for the period 1975–2000 in the western region, for instance, against 2.8 million earlier predicted for the period 1965–2000. (This, interestingly, is a reduction very similar to that for the South East England). At the same time, the major cities of the west—which are arrayed in a horseshoe-shaped conurbation, the so-called Randstad (Ring City) Holland, which totals 4½ million, or over one-third of the population on one-third of the area—are losing population to their surrounding suburban rings. Between 1971 and 1974 alone, the three largest cities of the Randstad-Amsterdam, Rotterdam and the Hague—lost 110,000 people. Much of this loss passes to immediately contiguous municipalities, but some goes further—leading to an increase in longer-distance commuting by car, which the energy-conscious Dutch government wish officially to discourage.

19. Officially, at regional/local scale Dutch urban policy is still that set out in the Second Report on Physical Planning, in 1966: the policy of concentrated deconcentration, which aims to develop hierarchies of differently-sized settlements, ranging from the enlarged village to the major city, which would be developed in close clusters so as to reduce the burden of commuting and counteract the loss of Holland's valuable agricultural land. (There are some affinities here with the growth area concept in the 1970 British South East Plan). This policy, the Third Report suggests in 1976, has not been completely successful; much urban development has been anarchic, and the central "green heart" of the Randstad is threatened. A principal reason for this failure is the pattern of local government in the Netherlands, which—in contrast to Britain—has not been reorganized, and thus still consists of a myriad of small municipalities, many of which encourage growth to help to strengthen their local tax base. Now, as local government reorganization is being actively considered, it is clear that the Dutch—like most of their western European neighbors—face a new challenge in the form of decline of the central cities. The new concern, in the Third Report volume on urbanization (published in 1976) is to concentrate new growth areas as close as possible to the old cities, and to regenerate the older inner city areas with subsidies for selective urban renewal and rehabilitation; a conscious effort will be made to retain a wide variety of services in the urban cores. But in the Netherlands as in Britain, there is no clear evidence that government concern can alone reverse the tide.

SWEDEN

20. Like most other west European countries, Swedish urban policy has been a national/regional and a regional/urban dimension. At national/regional level there has been a conscious attempt to develop the under-exploited mineral wealth of the vast and very sparsely-populated northern region, including the building of new towns. But it is the regional/local level that is more interesting for foreign observers, since here—especially around Stockholm—the Swedes have established a remarkable reputation for public control and guidance of urban growth.

21. Like many other European countries, Sweden has no really large urban agglomerations by world standards: The largest urban area, Stockholm, embraces only about 1.5 million with its suburbs. But already in the mid-1940's when the whole agglomeration numbered less than 1 million, the city embarked on a conscious plan for its own growth.

22. The basis for the plan—published in 1952—was twofold. First, Stockholm had a unique means of control over its own development because, ever since the start of the 20th century, it had made extensive advance purchases of land for future urbanization. (Since most of this was forest land useless for agriculture, its cost to the city was minimal.) Second, having extended to roughly the practicable limit that could be served by streetcars, and with a level of car ownership that was still modest, Stockholm embarked on construction of a rapid transit system: The subway, or Tunnelbana network, the first section of which opened in 1952. To insure that enhanced accessibility would not result in low-density unplanned suburban sprawl, as had occurred in London after the underground railway extensions of the 1930's, Stockholm planned new suburbs on public land, around the new subway stations, on the basis of local pyramids of density: Densest around the stations (especially dense around the most important ones), lower densities farther away. The stations logically also became sites for shopping and local service centers, ordered according to a hierarchical principle: The bigger centers, with the highest densities of residential population within easy walking distance, had the largest ranges of shopping and other services. This system of suburban centers was then physically defined by local green belts, consisting mainly of attractive forest land, which would separate one suburb from another.

23. The plan was faithfully implemented—albeit with detailed modifications in the light of experience. By the early 1970's the underground system consisted of a number of radial lines, all focusing on the central business district, bringing all the new suburbs within a 40-minute ride of the center. Local suburban stations were marked by either a "C" (local) center serving 10,000–15,000 people, mainly within walking distance of a station, and "B" centers serving a group of suburbs, typically having 15,000–30,000 people within walking distance and another 50,000–100,000 within easy reach by underground, feeder bus, or automobile. (To meet sharply rising carownership levels, now among the highest in Europe, the larger centers now have extensive parking lots and are connected directly to expressways.) In a typical suburban group, four "C" centers will be grouped around a "B" center,

all connected by the underground line—usually running above ground at this distance from the city—and the expressway network.

24. However, as compared with the British new towns—or with the later Parisian new towns—there was a limitation: The suburbs were by no means self-contained areas containing an adequate balance of jobs, and indeed employment went on growing at the center. In a relatively small agglomeration, with excellent public transport, this was of little consequence. But as the city passed above the 1.5 million threshold, it became more and more problematic. The result, in the 1966 general plan for the city and its region, is a new concept of regional growth. New suburbs will be connected to the center not by extensions of the subway, but by longer distance lines of the Swedish national railway system. Some of these new suburbanites will commute to the center, otherwise to new job locations (especially for services) near the center; some will obtain work locally. The new suburbs themselves will be polycentric, with strings of development served by feeder buses, which focus on the rail stations. But they will still provide for the bulk of movement to be made at local pedestrian scale; and groups of neighborhoods will still constitute distinct physical units, separated from their next suburb by local green belts.

25. Since the 1966 plan, demographic growth in Sweden—as elsewhere—has diminished. And the central city is losing population to its suburbs, a tendency now very general in all the larger agglomerations of Scandinavia, as indeed throughout northern and western Europe. (In the Mediterranean lands, as in eastern Europe, it appears that central cities are still tending to grow; the reasons for this undoubtedly merit further explanation, which we hope to make at the University of Reading.) If this continues, it may well evoke the same response as in Britain and the Netherlands: A demand for resources to be pumped back into the regeneration of the central city.

SOME GENERAL CONCLUSIONS

26. We can, I think, conclude the following:

First, though policy instruments have varied greatly in nature and intensity, there has been a greater willingness in general in Europe to pursue conscious urban policies.

Second, these have not usually taken the form of a full-fledged national urban policy, but rather have taken the form of two parallel policies: A national/regional policy which seeks to limit the growth of the largest city (and its region) in favour of peripheral regions which are usually less urbanized; and a regional/local policy seeking to control physically the development of the larger cities, generally in the form of decentralization into planned suburbs or new towns.

Third, the national/regional policies have had some degree of success in limiting the growth of major metropolitan regions. Some of the major examples in Europe (southeast England, western Netherlands) are currently experiencing net outmigration.

Fourth, by a combination of land use controls and direction of public investment, European nations have had considerable successes in the planned local decentralization of people and jobs from large urban agglomerations.

Fifth, however, it is difficult to judge how far these policies have appeared successful because they accorded with natural historical trends. European planners have not been fully conscious until recently just how strongly the tide of urban decentralization has set in their own countries. At any rate in northern and western Europe, the trends now seem similar to those in the United States—though they have been discovered more recently, and are almost certainly more recent in origin. They are first, the loss of population and of employment from central city to suburb, evident earliest and most strongly in the large metropolitan areas; and secondly, a tendency for loss of people and jobs from the larger (million-plus) metropolitan areas, associated with a rapid growth of smaller and medium-sized metropolitan areas situated either at the periphery of the larger metropolitan systems, or in peripheral regions. These trends urgently await further research.

Chapter 15

TOWARD A NATIONAL URBAN POLICY

By Henry S. Reuss

Despite adversity, the American city *does* seem to have a future. What emerges from the studies of our Subcommittee on the City is that bigger is not necessarily better and that small can be beautiful. If the cities do recover, it is not likely to be because of a massive Washington-centered Marshall Plan. Instead, one can hope for a more modest urban policy, one representing a realistic division of labor between Washington on the one hand, and state and local governments, private citizens and institutions on the other.

Washington will have to assume primary responsibility for the first two goals of an urban policy—(1) achieving full employment, and (2) restructuring the major federal urban aid programs in health, welfare, housing, transportation, and general governmental support. But the remaining four goals—(3) conserving neighborhoods; (4) conserving land, energy and resources; (5) modernizing state/local government; and (6) creating equitable metropolitan burden-sharing—must be primarily addressed outside of Washington, though Washington can provide needed encouragement and incentives to move in the right direction.

I. WASHINGTON'S MAJOR RESPONSIBILITIES

1. JOBS

The most straightforward way to help the cities is to provide jobs. Jobs are not simply the link between one's livelihood and one's self-respect. From the city's standpoint, jobless citizens make no contribution to a community's revenues. But they add greatly to its costs for welfare, crime, and associated ills.

As a starter, we need to get rid of the dominant economic idea of the last eight years that more joblessness is the way to fight inflation. Fortunately, there is now in place a Congressional budget procedure which safeguards against fiscal recklessness. There is now also in place a Congressional monetary procedure which looks to quarterly dialogue with the Federal Reserve as a means of assuring that money and credit policy will harmonize with fiscal policy. Thus there is no longer any excuse, if there ever was, for "fighting inflation" by adding to the cities' unemployed.

With these safeguards, there is hope that the day is over when the federal government itself causes the misery of its cities by adding to their unemployed.

Overall fiscal and monetary policy, by itself, can reduce unemployment generally. But it cannot be asked to bring full employment into central city pockets. Look at what has happened between November, 1976, and April, 1977. Spurred by a modest upturn, and by the promise of a new "economic stimulus" package, the overall economy has perked up a bit. Unemployment has declined from 8 percent to 7.3 percent with white adult male breadwinners getting most of the improvement. But meanwhile unemployment among black teenagers was rising—from 36 percent to 40 percent! Therefore, a macroeconomic overall policy must obviously be accompanied by a microeconomic structural policy, designed to bring jobs to people where they are, and people to jobs where the jobs are.

Millions of jobless are trapped in the central cities by poverty, race, or under-education, with only bootleg economic activities available—robbery, drug-pushing, prostitution, gambling. A three-grip handle on structural unemployment is needed:

a. Bring jobs to where the people are

Blue-collar jobs have been disappearing from the central city. Convincing employers to locate in the city—or even persuading existing ones not to leave—will not be an easy task. Nonetheless, the economic importance of providing jobs for central city residents, and the social desirability of encouraging work-places within walking or easy commuting distance of workers' residences, suggests that every avenue be explored.

Let me suggest some.

Recent widespread abandonment in many central cities has created acres of rubble or empty buildings. Smaller human-scale in-city plants, preferably extensions of existing industries, may once again be feasible. As Edward Echeverria, architect-planner, told our Committee hearings:

> Work places can and should be encouraged to remain in scale with the fabric of the city, in units of 25 to 100 workers—a size that makes up the bulk of small scale industry and offices today. Most of these activities are perfectly compatible with housing. If located close to residential areas, a substantial portion of the labor force could then walk to work, a journey that before the War used to take 20 minutes and has now been extended to one hour.

To attract plants to these areas, state and local governments could assemble the land through tax foreclosures or eminent domain, and offer local tax concessions. They could then, with federal assistance, clear the land and provide utilities and transport. The result could be a form of urban renewal without the widespread and lamentable people removal which plagued that program in the past.

Washington could help by refocusing its Economic Development Administration grants and loans on high-unemployment central cities. Commerce Secretary Juanita Kreps is doing just that. And HUD's proposed $400 million annual "action program" add-on to Community Development could stimulate similar job-making activity.

Federal tax policy could help, too. At present, the investment tax credit and tax-free municipal industrial revenue bonds encourage a firm to build costly new plant and equipment in an area with no unemployment problems, rather than in a central city that may have a 30 percent jobless rate. We ought to restrict the federal tax exemption for municipal industrial revenue bonds to areas of high unemployment, and to allow a greater investment tax credit for investment in such areas.

So far we have been talking of blue-collar, factory jobs. But white-collar jobs, as well as blue-collar, ought to be hooked up to the central city unemployed. Many of these white-collar jobs—in education, government, finance, commerce, health—will continue to be located downtown, within range of the unemployed area. Central city high schools, vocationl schools, and urban colleges ought to reorient their teaching, particularly of the 3 R's, to prepare young people for these jobs. Downtown service industries should be encouraged to provide employment opportunities for central city residents, thereby providing the pot of gold at the end of the educational railbow. If the central city is to make a come-back as a job center, it must have adequate and regular revenues to provide the police, sanitation workers, schoolteachers, health and recreation personnel needed to improve the quality of its life. We must break the vicious circle of declining jobs—declining tax revenues—declining services—still more declining jobs. Only an all-out, multifaceted, across-the-board national urban policy is going to be able to do this.

The federal government, too, ought to have a well-thought-out policy of decentralizing its operations so as to provide white-collar jobs in area of central city joblessness. After many years of trying, we finally got a Federal Reserve office in my Milwaukee district, the last big city in the country without one, and today a large part of its paper-clearing operations are conducted by people who live in the nearby central city neighborhood.

To put it bluntly, the federal government should cease building new administrative headquarters in suburban Washington, where they merely clog the metropolitan area, and instead build them in cities where jobs are needed.

For example, the Social Security Administration's headquarters for the last 30 years hasn't been in Washington at all, but in Baltimore, Maryland. Its 19,600 employees (one-quarter of the total in all SSA), and its annual payroll of $349 million, help elderly Baltimore, which needs help, and prevent further cluttering of metropolitan Washington.

Whatever objections to decentralization existed in earlier times have largely disappeared. Proximity to other Washington installations, in this day of instant telecommunications for voice and data, is really necessary only for top federal personnel.

In fact, existing federal regulations are hospitable toward decentralization. A 1963 Budget Bureau Circular, A–60, still in effect, provides for decentralization of present and future activities if "small liaison offices in Washington could effectively meet headquarters needs."

Another document, 1970 Presidential Executive Order 11512, provides guidelines for nation-wide federal office building use, such as "consideration should be given in the selection of cities for Federal facilities to the need for development and redevelopment of areas and the development of new communties, and the impact a selection will have on improving the social and economic conditions in the areas." This guideline was used in selecting the site for the U.S. Geological Survey headquarters in Reston, Virginia, not very venturesome, but at least a start.

Great Britain and France have been particularly successful in directing unmanageable growth from their capital cities to regions where population and jobs are declining. The French authorities, for example, levy tax disincentives on industry that seeks to expand in Paris, and offer grants and other aids for locating in eight regional metropolises, such Lyons, Marseilles, Bordeaux, and smaller subcenters.

b. Bring people to where the jobs are

Jobs have been moving to suburban locations within metropolitan areas, to outlying cities, and out of the colder regions of the Northeast and Midwest states to the South and Southwest. Even if the above proposals for bringing more jobs back to central cities are successful, the eventual out-movement of jobs is likely only to be moderated, not arrested. So we must in addition devise ways to bring people to where the jobs are.

For those so-near-and-yet-so-far suburban jobs, we can attempt to improve transportation networks. Most of our public transportation systems, such as San Francisco's BART, are presently focused on moving suburban and outlying city workers inward from their homes to the downtown city areas. Greater emphasis ought to be placed on moving central city residents outward toward job concentrations in suburban industrial parks, major shopping centers, and large institutions such as hospitals and schools.

Secondly, low- and moderate-income city residents must be given increased opportunities to live in suburban areas close to available jobs. Obviously, the success of such an outward movement depends on a hospitable outlook by the places of destination, without discrimination in jobs or housing. This means an end to suburban zoning and land development practices which exclude working families that cannot afford expensive homes. It means more effective administration of open housing and fair employment legislation. The federal government can improve suburban behavior by conditioning community development and other grant programs on equality of access to employment and homes, and it should start doing so.

As Paul Davidoff, president of Suburban Action Institute, told our Committee:

> Exclusionary development practices must be ended if this nation is ever to be one in which the Constitutionally protected right to locate in a place of one's own choice is to be made a reality. The spiteful use of regulation to exclude citizens from suburban communities because they can't afford expensive housing yielding high taxes is a sad remainder of old traditions of making minorities unwelcome in communities. The tragic part of present-day intolerance is that it is practiced by local governments abusing local home rule powers of zoning and land development.

A different set of solutions will be necessary to assist those who wish to move from job-shortage central cities to far-off job-surplus regions of the country.

At present there is no national employment placement system worthy of the name. The U.S. Employment Service, by operating mainly on a state-by-state basis rather than as a national service, does little to encourage inter-regional labor mobility. In any case, it functions more as a job-listing than as a job-matching service. Development of an effective national computerized service, matching job openings with the skills and interests of available and interested workers, ought not to be beyond our technological and administrative capabilities.

Beyond this, the federal government can assist by providing personalized retraining programs keyed to available jobs. It can also make available relocation aid, a device which many European countries have used with great success. An obvious starting point would be to provide a direct grant for moving expenses. The federal government has properly focused a great deal of attention and effort on the relocation of Cuban and Vietnamese refugees. It should do as much for our own citizens.

People, of course, are not pawns on a chessboard. There must be no repeat of the massive urban renewal projects of the 1950's, in which thousands of poor people were uprooted with never a thought to their relocation. Even today, individual rehabilitation by redevelopers of city housing is resulting in inexcusable evictions of many central city poor to make way for the return of the affluent.

Another flashpoint involved in any extensive outmigration has to do with its possible undermining of the black political power now emerging in many major cities. Consider this colloquy between Congressman Parren Mitchell of Baltimore and Paul R. Porter at the hearings:

> Mr. MITCHELL. "For the most part, with a few notable exceptions, black elected officials get into office because blacks vote for them. Would not your ideas about the dispersal of black citizens from cities vitiate the black political base that we are just beginning to develop in this country?
>
> Mr. PORTER. "I think it might, Mr. Mitchell, but I don't know of any way we can tell people they ought to stay in a city where they are unable to find jobs merely in order to support a candidate for office on the basis of race. I think we have to find a more constructive solution than that.
>
> Mr. MITCHELL. "Are you saying in effect that the dispersal of black populations from cities to suburbia is inconsequential in terms of the development of a black political base in our nation?
>
> Mr. PORTER. "I would point to something that outweighs that. And that is the ability of blacks to get elected even when they are a small minority of the total population—for instance, Mayor Bradley in Los Angeles, Mayor Young in Detroit.
>
> "I think that the ability of blacks to get elected, not because they are black but because they are offering constructive leadership, is growing enough to offset the possibility that some black votes may be lost because blacks move outside of cities to take jobs."

To this colloquy should be added the testimony of Congressman Mitchell's brother, Clarence Mitchell of the NAACP:

> I have no apprehension about the diminution of black representation because we desegregate our society. I think then we will open the floodgates for the enormous reservoir of talent that exists in this country without regard to race. And I would predict we will see more, not less, of minority people in all arms of the government.

c. *Provide interim national service jobs*

The sad truth is that it will take time for overall macroeconomic policies and structural match-people-to-jobs microeconomic policies to produce much of a dent in the 40 percent central city youth unemployment rate. The nation cannot wait.

For those unable to obtain private-sector jobs through the approaches above, there should be an interim bridge of national service jobs. This means going well beyond the present Comprehensive Employment and Training Act, and avoiding today's bureaucratic limitations by state and local governments.

These national service jobs could be out in the country, like FDR's Civilian Conservation Corps, or in the city itself. There is so much work to be done—improving railroad road beds, and insulating homes, recycling waste, renewing neighborhoods, staffing day care centers and food programs.

National service jobs could offer a decent job at a living wage, train enrollees for permanent private-sector employment down the line, accomplish much needed work which would otherwise go undone, and give young people a sense of cooperative purpose. It is a far superior approach to the payment of unemployment insurance and welfare benefits.

We have already erred grievously by repeating "Now is not the time" for large-scale public service employment. We should start tomorrow.

2. RESTRUCTURING FEDERAL AIDS

Fuller employment would by itself help our cities by substituting tax-paying citizens for tax-supported citizens. But Washington, as a part of a new national urban policy, must also restructure its aid programs:

a. *Reform the welfare system.*—The U.S. Conference of Mayors, which represents our major cities, lists welfare reform as one of its top priorities. President Carter repeatedly advocated it during his campaign. HEW Secretary Califano has set up a task force to develop a welfare reform proposal for the Administration.

Welfare reform is clearly overdue to eliminate the waste, the disincentives, the lack of minimum standards. But how will it help our central cities?

Right off the bat, we should note that partial federal financing of a reformed welfare system will benefit mainly states, rather than cities. In 39 states, the state now pays the whole non-federal cost of welfare. Welfare reform *would be* helpful to a number of cities—New York, San Francisco, Denver, Indianapolis, Baltimore, Norfolk, and Richmond—but typically it would be the state that benefited. Cities pay only some 3 percent of welfare costs.

Thus discussion of welfare-reform ought to focus on how to get the states to pass on to the needy central city some of the fiscal windfall the states get from a federal take-over of welfare. Perhaps some strings ought to be put on the federal welfare take-over of state responsibilities, strings that belong equally on general federal revenue-sharing with the states. In a nutshell, states that want federal general revenue-sharing and welfare reform help should be required to have on their statute books a reasonably progressive income tax; arrangements for fair sharing of the costs of government in metro areas; an assumption of greater state financial responsibilities for property-tax eaters like local public education.

b. *Equalize the real value of federal cash transfer payments*, such as social security and veteran's benefits. Our present system pays the same benefits everywhere, disregarding the 10–20 percent higher cost of living in the older and colder cities. It thus both short-changes the recipient and further complicates the older cities' fiscal problems. Cash transfers ought to be equalized by upping benefits where the cost of living is higher.

c. *Re-examine federal grants*, including general revenue-sharing and block grants for community development, mass transit, and social services, to eliminate present inequities toward central cities. Too much program money now goes to communities that do not require assistance, particularly wealthy suburbs. Formulas should be changed, or perhaps subsidiary block grants adopted, to favor the neediest areas. For instance, a current criterion for general revenue-sharing grants is average per capita income. Under this, a community with many poor people is short-changed if it also has many wealthy people.

The counter-cyclical grant program, to recompense high-unemployment communities for temporary revenue losses, should be continued.

While Washington is at it, it should greatly simplify the red tape that it now imposes on localities, relying more on post-audits than on detailed preliminary clearances. For example the present myriad separate programs in housing could well be consolidated into block grants. The same is true of many programs in transportation, education, and health.

II. Beyond Washington

Beyond Washington, other entities—states, counties, cities, individual citizens, neighborhood associations, profit and non-profit enterprises—have the major role to play in the remaining four goals of a national urban policy:

3. CONSERVING NEIGHBORHOODS

We must focus on a human-scale neighborhood as the basic unit in urban revival. This is what Jane Jacobs was saying in "The Death and Life of Great American Cities" 15 years ago, and her advice should at last be heeded.

With the neighborhood as the new focus of attention, low-income groups should be encouraged to develop their own economic institutions, such as neighborhood credit unions, consumer coperatives and development corporations. Some sort of a national Urban Development Bank to make credit available to public and private nonprofit neighborhood economic development agencies is needed.

And local financial institutions, always so fearful of "credit allocation", must themselves do a better job to see that a reasonable share of the nation's capital is available to these neighborhood institutions. When banks or thrift institutions want something from their regulatory agency (a charter, a branch application, a merger or holding company request), they should be asked to display both their past performance and their future intentions on meeting the credit needs of their neighborhoods.

The cities themselves must provide the level of services—police, street lighting, trash collection, and so on—needed to sustain the neighborhood as a viable community.

Cities ought also to re-examine their property tax burden and its deadening effect on rehabilitation. For example, raising the tax on vacant central city land, and lowering the tax on improvements, could make rehabilitation of homes and commercial estbalishments more attractive to owners and investors, and reduce the misuse of scarce land. Another tax device deserving wider use is the property tax circuit-breaker, now in effect in some 25 states, which shields low-income homeowners from part of the property tax burden.

Too often in the past federal programs, particularly urban renewal and construction of the interstate highway system, have destroyed existing neighborhoods. Other federal programs, such as FHA and water and sewer grants, have in effect encouraged movements out of viable existing urban neighborhoods to the suburbs. Washington must change its emphasis to neighborhood conservation and rehabilitation.

The new emphasis on neighborhood conservation should encourage a cooperative spirit that is beginning to show itself, here and there, on the part of the country's financial institutions. Redlining is on the run, because of the disclosure act of 1975 that requires that banks and thrift institutions disclose the neighborhoods in which they do and do not make housing loans.

But this is purely negative. On the positive side, many banks and thrift instiutitons are lending skilled personnel toward neighborhood conservation activities, and are forming financial pools designed to spread the risk of rehabilitating declining neighborhoods. Much of this is in response to the insistent prodding of a variety of grassroots neighborhood groups which have sprung up in cities throughout the country.

Projects like Community Organizations Acting Together (COACT) in Philadelphia, Bedford Stuyvesant Corporation and Lincoln Savings Bank in Brooklyn, Community Development Revolving Loan Fund in Cincinnati, the Baltimore Department of Housing and Community Development's programs of housing rehabilitation in southeast Baltimore, and the Federal Home Loan Bank Board's Neighborhood Housing Services in some 25 cities, are encouraging examples of recent public-private partnerships. They should multiply.

4. CONSERVING LAND, ENERGY, AND RESOURCES

At a time when we have finally come to realize that resources are finite, the oft-maligned central city offers some unique advantages. Suburbanization and urban sprawl have gobbled up vast areas of land on the urban fringe, robbing us of valuable farm land, open space, and recreational areas. This process should be contained through greater emphasis on development of land which is already in urban use, and which can support high density land-conserving development—the central city.

Indeed, land conservation is only one of the valuable benefits to be derived from high density land use patterns characteristic of central cities. High density usage creates energy efficiencies through savings on transportation fuel made possible by public mass transit, shorter automobile trips, and more opportunities for walking to work or shops. Urban housing patterns—apartments, rowhouses, cluster dwellings, triple-deckers—also are much more efficient in their use of heating fuel than is the typical suburban single family detached dwelling pattern.

A pronounced advantage of the population-shuffling proposal of Paul R. Porter is conserving energy. With the thinning out of the poor from the central city to jobs elsewhere, and with the return to a recovering central city of middle-class residents, wasted transportation and smog are reduced.

Two other suggested advantages of the reshuffling are more arguable. It will improve the central city's tax base to have the more affluent return, it is said. Yes, but will it not disadvantage the tax base of the part of the metropolitan area from which the affluent have just re-migrated? Would not some form of metropolitan fiscal equalization be a better way to this end?

It is argued, too, that the affluent returnees will produce a better cultural mix in the central city. We should beware of inadvertent snobbism in the value judgment that those who get their kicks at the opera house are inherently more edifying than those who get their kicks from street music. I suspect it would be nice to have both.

One thing is sure about any large-scale population interchange. It must be undertaken with humanity.

Our existing cities represent a substantial capital investment in terms of their existing infrastructure (streets, water, sewers, utility lines, mass transit facilities) and physical structures (houses, schools, hospitals, offices). While this capital stock obviously is in need of much rehabilitation and modernization, it still makes no economic sense to abandon it and duplicate it at enormous expense through further suburbanization.

The problem our cities face is how to capture the benefits of these unique inherent advantages of cities when market forces and consumer preferences—not to mention the impact of a host of federal programs—seem to be moving our metropolitan areas inexorably towards greater decentralization.

We need to institute policies to reverse these trends.

As a starter, localities ought to consider modifying single-use local zoning ordinances which now artificially separate housing from work and shopping. Higher gasoline prices may provide a market impetus favoring central city living and public transit usage. These market forces can be buttressed by taxes on automobile fuel and downtown parking.

5. MODERNIZING STATE/LOCAL GOVERNMENT

The states and localities must take the lead in modernizing their own management and planning functions, upgrading their services to their citizens in education, public safety, community development, housing, health, and in reforming their tax systems in the direction of greater progressivity.

A key role must be played by the states who have the power to grant and deny powers to their own localities. They are, as the Advisory Commission on Intergovernmental Relations suggests, the "constitutional parent of local government."

Some states, like California and Minnesota, have made real strides in updating their governmental machinery and services.

But others resist necessary changes. For example, a fifth of the states still lack a state income tax. Most states assume little responsibility for financing the costs of local education, leaving the burden mainly on the local property tax.

Still other states make it hard for local governments to raise necessary revenues by forbidding city commuter taxes or income taxes. States lag on the reform of property tax administration, particularly on uniform full-value assessment.

Most states have failed to follow the lead of New York and Massachusetts in establishing state housing finance agencies to acquire, hold, develop, and dispose of land for more orderly urban development.

At the local level, too, reforms are needed. Sound management of public retirement systems is crucial. In a number of cities, a large proportion of pensions are paid out of current operating expenses. In addition, the number of years required for pension eligibility allows public employees to retire at early ages, far in advance of workers in other sectors.

At the margin, the federal government could encourage the reform and modernization of state/local government, by requiring at least the preparation of plans as a condition of receiving revenue-sharing aid and (if it comes) welfare reform.

6. CREATING EQUITABLE METROPOLITAN BURDEN-SHARING

A sixth goal of a new urban policy is the more efficient and equitable management of large metropolitan areas. Good examples of desirable burden-sharing are the Toronto experience in two-tier metropolitan government (a large metropolitan government for fiscal equalization, with smaller units for close-to-home administration); the Greater Twin Cities experiment (with a share of metropolitan tax revenues channeled back to localities on an equalized basis); the metropolitan-area governments of Jacksonville and Indianapolis; the city-county consolidations of Miami-Dade County, Florida, and Nashville-Davidson County, Tennessee.

This is mainly a job for the states, which are sovereign over their metropoles. Washington, however, could give a nudge toward greater equity in metropolitan fiscal arrangements. It could tailor its educational assistance programs so as to encourage states to pay a larger share of local school costs. As suggested above, it could condition federal general revenue-sharing with the states by requiring them to develop their own plans for equitable metropolitan burden-sharing. The governors, who during the 1976 campaign heard candidate Carter pronounce his opposition to general revenue-sharing with the states, might find that preparing such plans was better than losing out entirely.

III. Getting Off the Ground

Such a national urban policy is not one to be handed down by Washington; nor, for that matter, to be developed solely by the locals. One of these days the Carter Administration, in conjunction with the Congress, would do well to convene representatives of state and local government, individual citizens, financial institutions, the unions, businesses generally, to hammer out a tentative national urban policy.

For this purpose, the President should have at his side a Coordinator of Cities to make congruent what goes on in the name of cities at HUD, DOT, HEW, Labor, Treasury, Commerce, Justice. Thus, President Carter's appointment in March, 1977, of HUD Secretary Patricia R. Harris, as the *de facto* conductor, is welcome.

Only with a national urban policy in place will it be possible for the federal government to determine how its programs in housing, transportation, regional planning, open space, public works, manpower, state/local budget support, welfare, health, education can best complement what the rest of the country is doing toward reaching these urban goals.

For example, take the federal housing program. There are shelves of housing laws now on the books, albeit poorly administered and inadequately funded.

With a national urban policy, it ought to be clear that there will be no more federal aids for highrise family public housing nor for bulldozer area-clearance urban renewal; nor for developer-oriented programs which have contributed to the waste of the past.

Instead, federal housing aids would be concentrated on what is needed to complement the agreed-on urban goals. Certainly this could include a shift of housing emphasis toward rehabilitating and conserving the nation's existing stock of preservable homes and apartments and commercial establishments; toward complementing local initiatives for saving energy, or voluntary population transfers, or metropolitan burden-sharing.

Finally, how much will a national urban policy cost? The answer, I suppose, is whatever government and private citizens at all levels decide it is worth.

But in fact, a great deal of what needs to be done is not to do expensive new things but simply to cease doing expensive old and wrong things. If the federal government will stop helping to create the unemployment and inflation which have dogged our cities; if it will forget about urban renewal programs and urban expressways which chew up neighborhoods without compensating gains; if it will revise its tax laws so as to terminate incentives for plants to move out of central cities; if it will think of job-hungry central cities as the cite for some of the decentralizable federal establishment; if it will concentrate its aid programs on the needy instead of scattering largess almost everywhere—we could be off to a good start.

Whatever the amount of outlays involved, I am confident that it will be less than if we wait until our older and colder cities are near death before we try to revive them.

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